

**FBIS**

# DAILY REPORT

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PARLIAMENTARY EXCHANGES DEVELOPING VIGOROUSLY

HK020659 Beijing ZHONGGUO XINWEN SHE in Chinese 0722 GMT 27 Dec 84

[Report by Li Wei: "NPC's Vigorous Diplomatic Activities"]

[Text] Beijing, 27 Dec (ZHONGGUO XINWEN SHE) -- China's parliament -- the NPC -- and its various special committees this year received 25 parliamentary delegations from countries in Asia, Africa, Latin America, North America, and Europe. This year has seen the greatest number of delegations received in years. Meanwhile, four NPC Standing Committee vice chairman, Liao Hansheng, Chen Pixian, Ye Fei, and Huang Hua, respectively led delegations to a total of eight countries. This is undoubtedly a sign that parliamentary exchanges between China and foreign countries have entered a new period of vigorous development.

One of the prominent features of parliamentary exchanges between China and foreign countries this year is that both sides, through meetings in various forms, penetratingly exchanged views on political, economic, and international problems. China introduced to foreign visitors things as they really are: its peaceful policy, followed toward foreign countries, of maintaining independence and keeping the initiative in its own hands; its policy of opening up to the outside world; its economic policy, its reforms, and so forth. The foreign guests also recounted the conditions of their own countries to the Chinese friends, enhancing mutual understanding and friendship. After his visit to China, Italian Senate Speaker Cossiga said: The Chinese are extremely brave. They have consciously and doggedly stepped onto what they call a road of opening up to the world. They have adopted some unusual measures, such as the special zone policy. This is beyond our imagination.

The Chinese NPC has now had delegation exchanges with the parliaments of more than 70 countries in various continents of the world. It was learned that the NPC will receive and send out more delegations next year than this. According to tentative plans, delegations will be sent to countries in Asia, Africa, Latin America, North America, and Eastern and Western Europe. The first delegation, starting out in early January next year, is led by Rong Yiren, vice chairman of the NPC Standing Committee. It will visit three African countries -- Rwanda, Burundi, and Zaire. The principal guiding the Chinese parliament in its exchanges with foreign countries calls for putting emphasis on the Third World countries and also assuming a positive attitude toward other countries and making friends widely. To strengthen friendly relations with the parliaments of various countries, the NPC has decided that, apart from delegations led abroad by NPC Standing Committee vice chairman, more delegations led by NPC Standing Committee members and well-known NPC deputies should be sent out in the future.

SCHOLARS OFFER ANALYSIS OF WORLD SITUATION

Xu Xiuqian on World Affairs

OW311305 Beijing Domestic Service in Mandarin 0630 GMT 30 Dec 84

["Sunday Lecture" radio speech by Wu Xiuquan, director of Beijing Institute for International Strategic Studies]

[Excerpts] [Begin recording] Comrades, friends: 1984 is an important year for our country in creating a new situation in the construction of socialist modernization.

On 20 October this year, the 3d Plenary Session of our 12th CPC Central Committee adopted a decision on reform of the economic structure and comprehensively mapped out a blueprint for our country's economic reform. To fulfill this blueprint, and complete the long-term strategic task of building modernization, we need a stable and peaceful international environment. We are absolutely not willing to let the achievements of construction we scored through tremendous hardships to be damaged by war, nor do we want to see mankind suffer from the havoc of world war. Therefore, the government of our country has unremittingly adhered to an independent and peaceful foreign policy and closely integrated the safeguarding of our country's security with the lofty task of maintaining world peace. Safeguarding world peace and promoting economic development are the two major topics that people of the world are most concerned about, and are also the primary targets of the Chinese people. To fulfill such a great mission, it is imperative to make an accurate assessment of the current international situation, and analyze the various complex, intertwined phenomena among countries, thereby enabling us to formulate relevant strategies and tactics, and make due contributions to the progress of mankind. Today, at the invitation of the Central People's Broadcasting Station, I am making a radio speech on this major question of the current international strategic situation as a reference for all comrades. [end recording]

Comrade Wu Xiuquan's radio speech is divided into three parts. The first deals with the special characteristics of the current international situation. Comrade Wu Xiuquan said: The current turbulent and tense international situation, which we mentioned, is mainly manifested in the following few aspects. Firstly, the global contention between the United States and the Soviet Union is very fierce. Since the beginning of the 1980's, the nuclear arms race between the two nuclear superpowers -- the United States and the Soviet Union -- has been further intensified. The amount of nuclear arms owned by the United States and the Soviet Union has reached a dangerous level exceeding saturation and normal killing capacity. Nevertheless, under the pretext of maintaining a balance, both sides are continuing to test, develop, produce, remodel, and deploy nuclear weapons. The nuclear arms race has expanded from the sea, land, and air to outer space.

Secondly, turbulence continues in the vast area of the Third World countries. As a result of the fierce contention between the United States and the Soviet Union, and the hegemonism and power politics they carry out in combination with the regional contradictions in Asia, Africa and Latin America, many hot spots have emerged in the Third World countries. While none of the old issues in the past years has been solved, new hot spots have emerged, one after another. Regional wars have broken out alternately, adding to the tension of the entire international situation.

Thirdly, the South-North contradictions are increasing with each passing day. Because of the profound historical and current reasons, a complex contradiction has always existed between the developing and the developed countries. In order to rid themselves of economic crisis, the developed countries in the West, especially the United States, have adopted a series of economic policies harmful to others and profitable to themselves, bringing about deep sufferings for the Third World countries. Fourthly, there has been some development in the tendency of the Second World to be independent from the two superpowers. Not long ago, leaders of some countries in Western and Eastern Europe visited each other's countries and carried out talks on international and bilateral issues of common concern, representing an unprecedented phenomenon since the confrontation between the two major cliques took place in Europe, and reflecting a tendency of the Second World countries to be independent of the superpowers. Despite the fact that the development of such a tendency may not be smooth, it is an indisputable factor in the current complex international situation.



The second part deals with the development of the U.S.-USSR contention. Since the beginning of the 1980's, we have noticed that both the United States and the Soviet Union have readjusted their global strategies. The Reagan administration has adopted a strong all-round deterrent policy, and a flexible retaliatory strategic principle against the Soviet Union, in an attempt to rebuild military superiority and reconstruct the U.S. hegemonic position. Deterred by various factors, the Soviet Union has become more prudent in international expansion than before; however, its basic policy and strategic targets have not changed, as it has continued to vigorously expand armaments in an effort to consolidate and expand the positions it has already gained.

It is precisely such a sharp strategic confrontation that has further intensified the U.S.-USSR contention, and brought about a situation different from the 1970's. The Chinese people want peace, not war. We oppose hot war, and cold war as well. We support disarmament, and propose all-round prohibition and thorough elimination of nuclear arms. We hope that both the United States and the Soviet Union will take a low-key attitude, adhere to a wise and far-sighted policy, and reach a genuine disarmament agreement, through conscientious talks to ease the international situation and reduce the danger of war, especially of nuclear war.

The third part of the speech by Comrade Wu Xiuquan deals with our country's strategy on foreign relations. China is a developing, socialist country and adheres to an independent foreign policy. We have always proceeded from the basic interests of the Chinese people and the people of the world, and have independently decided our policies according to right and wrong. We have never conceded anything to temporary changes, nor will we be controlled by any outside pressures.

Despite changes in the international arena, we have always maintained a consistency in our strategic policy with foreign countries, and integrated firm principles with flexible measures to adapt to the changes in the international situation, and follow the tide of the time. The Five Principles of Peaceful Coexistence is our country's fundamental norm for handling relations with all countries. We hope that we can establish and develop friendly relations with all countries, including the United States and the Soviet Union, on the basis of the Five Principles of Peaceful Coexistence. We have attached great importance to the development of Sino-American relations. This conforms not only to the interests of the Chinese and American people, but also to world peace.

With the sixth anniversary of the establishment of Sino-American diplomatic relations fast approaching, relations between the two sides have been developed in many ways; however, with the tortuous process, relations have stayed far from the expected level. The major obstacle has been the Taiwan issue. In the United States, there have always been people who regard Taiwan as a political entity and an unsinkable aircraft carrier, and who are enthusiastically engaged in creating two China's, or one China and one Taiwan, to interfere with our country's internal affairs.

These ideas and methods not only lack the sense of history and of reality, but also harm the national pride and feelings of the people of our country. In order to fulfill the reunification of the motherland, our country's leaders have, time and again, put forward positive proposals and various concrete policies, both reasonable and practicable. We hope that the U.S. side will not place obstacles in the way of this issue, but strictly observe the principles for guiding the relations of our two countries, as jointly confirmed in the several Sino-American communiques. With this issue solved, the friendship and cooperation between China and the United States will have broad prospects.

In recent years, leaders of China and the United States have visited each other's countries, and carried out friendly and candid talks, thereby increasing mutual understanding and pushing forward Sino-American relations. We hope that the relations between China and the United States will be further developed during U.S. President Reagan's second term of office. Since there is profound friendship between the people of China and the United States, we have reasons to hold an optimistic attitude about the future of Sino-American relations. We sincerely hope to improve our relations with the Soviet Union. This, likewise, will be beneficial to the people of China and the Soviet Union, as well as to peace in Asia and the world. The improvement of Sino-Soviet relations will not at all hinder and harm the development of friendly relations with other countries. Since 1982, five rounds of negotiations have been carried out by the Chinese and Soviet vice foreign ministers, relations between the two countries have somewhat improved, and trade and visits of personnel between the two sides have somewhat increased. Regarding the three major obstacles, there has not been practical progress during the negotiations. Judging from the long-term view, we still hold fine hopes that these obstacles will eventually disappear, and Sino-Soviet relations will be finally normalized some day.

#### World Politics Assessed

OW020910 Beijing XINHUA in English 0844 GMT 2 Jan 85

["Chinese Scholars on International Situation in 1985" -- XINHUA headline]

[Text] Beijing, January 2 (XINHUA) -- The world's political situation will continue to be turbulent while the economic situation will show some improvement in 1985, but latent crises may still come to a head. These observations are the gist of articles written by well-known Chinese scholars and experts on international affairs which appear in today's PEOPLE'S DAILY. The newspaper devotes a whole page to the seven articles along with a portrait of each writer.

Huan Xiang, director of the Center for International Studies under the State Council, writes that in 1985 the international situation will continue to develop in turbulent circumstances. People of various countries, he says, will go on fighting against the arms race, demanding the resumption of talks on disarmament, opposing confrontation between the blocs of nations, demanding the disbandment of military blocs, promoting South-South cooperation and the South-North dialogue, and opposing any actions that may damage the developing countries.

Huan notes that the world situation in 1984 was marked by a keener arms race between the two superpowers and economic losses to the developing countries caused by the protectionist measures of the developed nations. His article also pinpoints the expansion of the arms race to outer space, the growing complexity of the wars with direct intervention or indirect support from the superpowers, and the high primary rates of the U.S. as some of the factors injurious to Third World countries and certain developed countries as well.

Discussing the international economic situation, Qian Junrui, president of the Chinese Society of World Economies, predicts that the economic recovery will continue in the Western countries in the new year, but the speed of recovery in the U.S. will slow down and the U.S. economy may again slip into recession and stagflation in 1986.

The Soviet Union and other Eastern European countries may carry out economic reforms more consciously in 1985 and achieve a bigger economic growth, Qian writes. By 1986, however, the East European and Third World countries may be adversely affected in varying degrees by the recession that is likely to develop in the Western countries, Qian says.

He notes that the growth rate of the gross national product (GNP) in the developed countries as a whole reached 4.75 percent in 1984 but unemployment remained high.

The economic situation in most developing countries also improved, growing at an average rate of 3 to 4 percent, with some Asian countries topping 6 percent. China fulfilled the main production targets of its Sixth Five-Year Plan (1981-1985) two years ahead of time and the total output of industry and agriculture far exceeded the expected growth rate of 7.2 percent a year, Qian says.

Talking about Sino-U.S. relations, Wu Xiuquan, president of the Institute for International Strategic Studies, hopes that President Ronald Reagan's second administration will honor their commitment and remove the obstacle in the way of a solution to the Taiwan question. Only by doing so, he says, can Sino-U.S. relations develop steadily and soundly. Wu also hopes that the Soviet Union will take practical steps to remove the obstacles in Sino-Soviet relations so that bilateral relations will be normalized bit by bit on the basis of the Five Principles of Peaceful Coexistence.

Han Nianlong, president of the Chinese People's Institute for Foreign Affairs, draws attention to both the encouraging signs and the factors worrying people in the Asia-Pacific region. But, in general, the future is still optimistic, he says. The encouraging side is, Han observes, that the people of various countries in the region have made progress in achieving peace and developing the economy and the struggle waged by the Kampuchean and Afghan people against aggression has made new headway politically, diplomatically and militarily.

The other side is characterized by the intense arms race and the deployment of military forces by the two superpowers in the Asia-Pacific region, Han says. He foresees a continuation of this situation in 1985 and little possibility for the trend of detente to prevail over the tension and confrontation for a long time to come.

He Ying, member of the National People's Congress Standing Committee and former vice-minister of foreign affairs, writes that certain hot spots in Africa showed signs of relaxation in 1984, while relations between several countries improved and regional economic cooperation developed. This is very important for ensuring the stability of Africa and preventing outside interference in African affairs, he adds. He Ying hopes that the African people will close their ranks in the new year, uphold the policy of self-reliance and independence, support the just struggle of the people of Namibia and South Africa, and win new victories in building their own countries. His association received some 2,000 visitors from more than 40 countries in 1984. They will do more work in the new year to expand contacts between the peoples of China and other countries, Wang says.

Chen Zhongjing, president of the Institute for Contemporary International Relations and professor at Beijing University, analyzes the South-North problem and South-South cooperation in his article. He says that the developing countries should expand South-South cooperation, strengthen unity and promote mutual understanding so as to press for a settlement of the South-North problem.

## 'Peace-Keeping Factors Increase'

OW310158 Beijing XINHUA in English 0138 GMT 31 Dec 84

["Peace-keeping Factors Increase in 1984, Says Chinese Authoritative Observer" -- XINHUA headline]

[Text] Beijing, December 31 (XINHUA) -- Although international situation remained tense and turbulent in 1984, more peace-keeping and war-curbing factors have emerged throughout the world, said a Beijing authoritative source in international affairs. "This gives us more time and opportunities to further mobilize the people of the world in a joint struggle against hegemonism and for world peace."

Huan Xiang, director of the Center of International Studies of the State Council, made these remarks in a special article published in 1985's first issue of the fortnightly magazine WORLD AFFAIRS which will be off the press on January 1. He said that an outstanding feature of the 1984 world situation was a conclusion of detente between the West and the East, that had lasted for more than ten years since the late 1960s.

The intensity of the international situation is shown in the following facts: -- the suspension of the Geneva nuclear arms negotiations between the two superpowers; -- the development of nuclear arms race to the outer space; -- the widening of economic and technological gap between the two superpowers and other countries, and between developing and advanced countries.

However, he pointed out, the vigorous anti-war and peace movements in many countries become a restriction to the two superpowers' actions. The independent tendency within NATO and the Warsaw Pact has become more evident than ever. He said the struggle of control and counter-control within the two military blocs "has entered a new stage." Meanwhile, economic and trade relations between West and East European countries have developed steadily.

Huan Xiang also pointed out that the huge military spendings of the two superpowers have added to their already heavy financial difficulties which in turn will check their arms race. Huan Xiang said that a pressing task facing the world's people is to urge the United States and the Soviet Union first to return to the negotiation table and reach an agreement to stop their global deployment of medium-range nuclear missiles; and then slow-down or absolutely end the outer space arms development.

RENMIN RIBAO ON REALIZING WISH FOR WORLD PEACE

HK020903 Beijing RENMIN RIBAO in Chinese 30 Dec 84 p 6

["World Affairs" column by Lin Sheng: "Turn Good Wishes Into Reality"]

[Text] While reflecting on the past and looking into the future on the world situation when 1984 is drawing to an end, public opinion in various countries is not so pessimistic as it was at this time in 1983.



Many people in press circles hold that no new major international conflict has taken place over the past year, and some hot spot areas have been comparatively stable. Looking into the future, with the meeting of the foreign ministers of the superpowers, the United States and the Soviet Union, soon taking place, we find the situation tends to be gradually relaxing. In the words of THE WASHINGTON POST, "this has brought hope for the peace of mankind to people."

Such an optimistic mood in international public opinion has given expression to people's wish for safeguarding world peace. Since the strained international situation has continued for many years in succession, the peoples of various countries are yearning for some relaxation of the situation and a breaking of the deadlock, which can be said to be a common desire based on a common ground.

However, people's desire is one thing, but hard reality is another. Taking a worldwide view, we find that the confrontation between the East and West is still continuing, the nuclear arms race between the United States and the Soviet Union remains unchanged, the phantom of nuclear war even hovers over outer space, the guns in Indochina, South Asia, and the Persian Gulf areas have not stopped, the contention in the Middle East and Central America is getting ever more intense, no progress has been made in North-South relations, and there have been continuous outbursts of turbulence and conflict. We cannot rely solely on our good wishes to eliminate all this. Neither can we wait for the two superpowers to show kindness to the people. So the world's people must exert their efforts and make their wishes come true through struggle.

In the world today, the capabilities of the superpowers in controlling the world's affairs have been reduced. Billions of people of the Third World countries and many developed countries are rising to safeguard world peace. The measures taken by the peoples of various countries in opposing war threats and relaxing the tense international situation have become an important force in safeguarding world peace. The people are not powerless. As long as the peace-loving countries and people take actions, and persist in opposing the nuclear arms race and war threats, so as to make the superpowers have some scruples and refrain from reckless actions, world peace will possibly be maintained, the tense situation will tend to be relaxed, and war will be stopped. Only then will it be possible to turn the wishes of the world's peace-loving people into reality in the new year.

#### XINHUA REPORTERS DISCUSS PRC WORLD RELATIONS

##### East-West Relations

OW022304 Beijing XINHUA Domestic Service in Chinese 0220 GMT 30 Dec 84

["Year-end Conversation in Writing on International Issues: -- There Is Relaxation Amid Tension in the East-West Relations" -- XINHUA headline]

[Text] Beijing, 30 Dec (XINHUA) -- Over the past year, the tense U.S.-Soviet relations have been the focus of world attention. However, while the United States and the Soviet Union are competing against each other in deploying new nuclear guided missiles and are in a situation of military confrontation, a tendency for East and West European countries to strive for detente and the improvement of relations has begun to appear. The following is a review of prospects in this connection by XINHUA reporters:

## Trends of the Development of U.S.-Soviet Relations

Li Yanning, XINHUA reporter in Washington: In 1984 the two superpowers, the United States and the Soviet Union, reached an impasse and are in a conservative situation in carrying out their foreign policies because of their respective reasons. Neither dares to rashly take any large offensive action nor attempts to institute any new policies to try to solve some questions. As a result, many central issues in the world have remained unsolved in the past year.

Chen Si, XINHUA reporter in Washington: The U.S. and Soviet foreign ministers will hold talks in Geneva in January 1985 on the question of nuclear arms. The United States and the Soviet Union agreed to resume nuclear arms talks because both sides need the talks. The people in the United States oppose the nuclear arms race and want the Reagan Administration to ease the tense relations with the Soviet Union and reach an agreement with it on arms control. The West European allies of the United States do not want to bring East-West relations to a complete deadlock. They are worried about Europe's being reduced to the status of a battlefield in a nuclear war. Therefore, they also want the United States to resume talks with the Soviet Union.

Wang Chongjie, XINHUA reporter in Moscow: After several years' intense arms race and all-out confrontation between the Soviet Union and the United States, there appeared recently some signs of relaxation in Soviet-U.S. relations. It seems that both sides need to catch their breath and that neither side is willing to fall uncontrolled into the abyss of war.

However, the Soviet-U.S. arms race has not stopped. Washington says it will not make concessions for talks, Moscow emphatically points out that it will never let the United States obtain military superiority. It is hard to imagine that there can be within a short period of time any big change in Soviet-U.S. relations, which have always been quite complicated and grim, since neither Moscow nor Washington will change the fundamental principle of its foreign policy. However, if they should hastily fight a nuclear war now, neither could gain advantages nor escape nuclear counterattacks.

According to the present situation, the tense Soviet-U.S. relations are likely to ease off some time in the future. However, this will be a long process filled with sharp and complicated struggles. What merits attention is that the world people's opposition to the arms race and to war, aggression, and expansion and their demand for peace and peaceful coexistence have become a powerful tide as well as an important factor that influences the development of and change in the present international situation.

Yang Qi, XINHUA reporter in Paris: West European countries all welcome the decision by the United States and the Soviet Union to resume talks, and they all regard it as the "beginning of detente." The Soviet-U.S. detente in the 1970's brought many benefits to West Europe. Therefore, West Europe has naturally borne "detente" in mind constantly. Observers in Paris estimate that within a few years, beginning in 1985, it is very likely that a kind of "lukewarm" situation between the United States and the Soviet Union will appear. In other words, it is impossible to return to the cold war and an all-out confrontation, but it is also unlikely that the days of detente in the 1970's will again be enjoyed.

## Changes in Eastern and Western Europe's Interrelations

Tan Xiushan, XINHUA reporter in Moscow: In 1984, while Soviet-U.S. relations have been tense and "missile fences" have been erected in Europe, contacts and intercourse between East and West European countries not only have been uninterrupted but also have developed to a certain extent. The East and West European countries' strengthening of their contacts is of positive significance in terms of strengthening mutual trust and understanding and promoting each other's economic development and the people's living standard.

Xia Haomian, XINHUA reporter in Bonn: While U.S.-Soviet relations have reached an impasse, relations between the East and West European countries have been enlivened, especially the relations between the two Germanys. Take a comprehensive look at 1984. The East side has dispatched two Political Bureau members and a minister to the West side, and various talks have never stopped. As for the West side, nearly 120 politicians visited the Leipzig Fair, which was held for 7 short days. Democratic German leader Honecker received three Federal German politicians in a day. The most prominent achievement is the reaching of an agreement on the second loan of a large sum of money.

Shen Yiming, XINHUA reporter in Belgrade: What is spectacular in 1984 is that a tendency to strive for easing the tense situation in East-West relations and seeking national economic revival is beginning to appear in East Europe. East and West Europe, which have for years been at an impasse and in a cold situation, have begun to restore political dialogue this year. Hungarian leader Kadar's visit to France and Romanian President Ceausescu's visit to Federal Germany are two important events in this year's East-West European relations. Their visits are undoubtedly a positive action in terms of strengthening understanding between East and West Europe and safeguarding peace in Europe. The significance of their visits is beyond the scope of bilateral relations.

Yu Gu, XINHUA reporter in London: Over the past year, the British Government has really made numerous efforts to promote East-West dialogue. In February, British Prime Minister Mrs Thatcher made her visit to Hungary. Then she personally went to Moscow to attend Andropov's funeral. In July, Geoffrey Howe made a visit to the Soviet Union, the first formal visit ever made by a British foreign secretary since 1977. During the past year he has attended four formal talks with Gromyko. What is extraordinary is that a delegation of the Supreme Soviet led by Gorbachev visited Britain at the end of the year. This is the highest-ranking distinguished Soviet guest Britain has received since 1976 when Gromyko visited Britain. All this shows the policy of the present British Government in these years: the area which needs dialogue and cooperation most is East-West relations.

Liu Wanan, XINHUA reporter in Brussels: Observed at a place where the NATO General Headquarters are situated, the East and West European countries have increased contacts and trade with each other. This shows the East and West European countries' wishes to avoid being overly controlled by the two superpowers are developing.

Tan Xiushan: Because Europe is a strategic key region for which the United States and the Soviet Union scramble, many East and West European countries are actually striving for survival and development under the complex circumstances of U.S.-Soviet contention. The East and West European countries are unwilling to become targets of nuclear attacks or victims of a new war.

Xia Haomian: In the words of Federal German Foreign Minister Genscher, the two Germanys are situated in the forefront of the two blocs. Here we have the largest number of weapons and troops confronting each other. Therefore, we are most interested in detente in the European situation.

Yu Gu: Mrs Thatcher admitted: "The Conservative Party is pro-U.S." However, the British Government also has misgivings about and feels dissatisfaction with the United States. It worries about the U.S. waging local nuclear warfare in Europe and opposes the U.S. economic policy of high deficits, high interest rates and a strong dollar. Therefore, over the past year, taking its own defense and economy into account, Britain has also actively participated in West Europe's joint efforts and has been willing to develop relations with East Europe.

#### U.S.-Soviet Confrontation in Northeast Asia

Chen Liang, XINHUA reporter in Tokyo: The characteristic of U.S.-Soviet contention in the Northeast Asian region in 1984 is the nuclear arms race is more intense. The prospects for 1985 are that U.S.-Soviet contention and the nuclear arms race in this region will still worsen. Because they have mutual needs, it is not impossible that they will strengthen confrontation on the one hand and open a dialogue and reach agreements on one or two questions on the other. However, because neither side has changed its policy of seeking military superiority, it is very hard to reach an agreement on the whole situation.

In the past year, the United States has paid greater attention to Japan's strategic role. In 1985, the United States will continue to ask Japan to strengthen its fighting power for follow-up operations and the protection of a one-sea mile-wide sea passage. Japan will further strengthen its military cooperation with the United States, but will ask the United States to understand that Japan "cannot go beyond national opinion" to strengthen its defense.

In 1984, Japan and the Soviet Union have expanded their dialogue. The two sides have signed a fishery agreement, but U.S.-Soviet relations are still grim. In 1985, it is estimated that under the circumstances of the resumption of U.S.-Soviet talks, the tendency for Japanese-Soviet dialogues will grow strong. However, unless the Soviet Union changes its stand on Japan's Northern Territories, the relations between the two countries are not likely to fundamentally change.

#### Southeast Asia, Iran-Iraq War

OW021353 Beijing XINHUA Domestic Service in Chinese 1459 GMT 29 Dec 84

["Year-end Conversation in Writing on International Issues: Upheavals in the Situation in Asia" -- XINHUA headline]

[Text] Beijing, 29 Dec (XINHUA) -- Over the past year, the changes taking place on the Cambodian battlefield and in the Iran-Iraq war -- two "hot spots" of the world -- continued to be the focus of world attention. Analyses by our correspondents follow:

Yang Mu, resident XINHUA correspondent in Bangkok: In recent years, two events in Southeast Asia have drawn world attention: One is the "hot war" caused by Vietnam's invasion of Cambodia; the other is the growth of ASEAN and the rapid development of its economy.



In 1984, a three-battlefield situation appeared in Cambodia. The anti-Vietnamese patriotic armed forces went deep into the hinterland for combat operations and opened the first battlefield around Tonle Sap. This drew the main force of the Vietnamese Army, disrupted its attempt to use the Cambodian-Thai border as the first battlefield, and threw it into a predicament where it could not handle both the hinterland and the border area at the same time.

Seeing more and more clearly the nature of Vietnam as a national enemy, the broad masses of people have gone all out to support the Coalition Government of Democratic Kampuchea headed by Sihanouk and the various anti-Vietnamese armed forces. A large number of people, unable to bear the oppression of the Vietnamese Army, has gone to the anti-Vietnamese bases. Vietnam dared not participate in the debate on the Cambodian issue at this year's General Assembly session. The number of countries supporting the motion on the Cambodian issue at the General Assembly session increased from 105 last year to 110 this year. This indicates that the Coalition Government of Democratic Kampuchea is enjoying abundant support because of its just cause, while Vietnam's arrogance has been seriously frustrated.

The deadlock will continue on the Cambodian battlefield. However, in the absence of a drastic change in the international situation and after a show of strength militarily, politically, and diplomatically, Vietnam will eventually be forced to withdraw its troops because there is no hope for victory and because of the heavy pressure exerted on it. It will eventually accept a reasonable and just political solution of the Cambodian issue. The time for Cambodia's national revival is bound to come.

The six member countries of ASEAN, which is a regional organization, are most affected by the Cambodian issue. They must safeguard the peace in Southeast Asia while carrying out their own construction. In 1984, ASEAN made gratifying achievements in this regard. With the exception of the Philippines, all the other five countries have maintained a general, stable domestic situation. They have enjoyed higher international prestige and made rather quick strides in developing their economies. However, the ASEAN countries' economies still depend to some extent on the developed countries, and their economic structures are still unreasonable in some respects. In addition, there still exists the serious threat of "protectionism" of the developed countries. Long-term efforts are required in order to overcome these difficulties and weaknesses.

#### The Fifth Year of the Iran-Iraq War

Shuai Peng, XINHUA correspondent in Tehran: the current situation in the war between the two Gulf states, Iran and Iraq, may be generalized by these two sentences: "The outcome is a forgone conclusion," and "danger still remains." To say that "the outcome is a foregone conclusion" means that neither side can defeat the other in the war. Needless to say, Iraq wanted to extricate itself from the war long ago. Although the other belligerent still refuses to stop, the war situation this year shows that Iran is unlikely to defeat the other side on the battlefield.

To say that "danger still remains" means that since one side refuses to stop and still wants to fight, it is possible that the war will escalate and spread. We should realize that, although Iraq is now in a strategically defensive position, should Iran's attacks threaten its survival, Iraq's retaliation and counterattack would not be inconsequential. Herein lies the potential danger of the deterioration of the situation.

The current situation is: Iran insists on dismantling the other side's present administration. For nearly 6 years, the Iranian people have experienced the agony of revolutionary turmoil and war, and they must certainly be exhausted and in urgent need of recuperation. It is by no means an exaggeration to say that the Iranian people look forward to stopping the war. But why should the policymakers refuse to stop it? World events are complex. Grudges harbored by one person often prevent an entire problem from being solved.

The stalemate in the Iran-Iraq war specifically reflects the balance of strength of the world's two confrontation forces. The superpowers cannot accept a major shift in the balance of power in the Gulf region.

Yi Chongjing, XINHUA correspondent in Baghdad: Following the overall growth and decline in strength of both sides -- especially in the military and economic areas -- over the past year or so since Iraq withdrew its forces from the border in June 1982, certain conspicuous changes favorable to Iraq have gradually appeared. Having repulsed Iran's repeated attacks, Iraq has consolidated its defense and controlled the air.

Economically, Iraq has replaced the policy of "fighting and constructing at the same time" -- a policy adopted during the early period of the war -- with a wartime economic system and has achieved initial successes this year. Both military and civilian supplies, as well as requirements for the necessary construction projects, have been ensured.

However, Iraq still faces enormous problems. Militarily, it is still in a passive position. Its economic level is way below that before the war. The shortage of human resources is also quite serious. Such being the case, the war is still a heavy burden on Iraq's shoulder.

Currently, Iran and Iraq have near equal strength, but the conditions for ending the war are still not in sight since there is no fundamental change in the balance of strength and the terms of negotiations differ greatly between the two states. It is most likely that the situation in the foreseeable future will be one of intermittent clashes.

#### Central America, Southern Africa

OW020646 Beijing XINHUA Domestic Service in Chinese 0015 GMT 28 Dec 84

["Year-End Conversation in Writing on International Issues: The Situations in Central America and Southern Africa" -- XINHUA headline]

[Text] Beijing, 28 Dec (XINHUA) -- Central America and southern Africa are two "hot spots" people of the world are concerned about. In 1984, the situation in Central America has remained turbulent, but that in southern Africa has tended to relax. Following are analyses of the situations by correspondents of this news agency.

## The Turbulent Situation in Central America and U.S. Interference

Jin Renbo, resident XINHUA correspondent in Mexico City: The tense situation in Central America has its deep internal causes, but outside interference is an important factor in the deterioration of the situation from time to time. The United States conducted nearly 10 separate or joint military exercises of different scales in this turbulent region in 1984. During the largest-scale military exercise, code-named "Ocean Venture 84," the United States sent out 30,000 troops, 30 warships, and 250 aircraft to participate for as long as 2 weeks. To counter the influence of the other superpower in this region, the United States often dispatched warships and aircraft to carry out harassing activities against Nicaragua.

Xu Faxing and Liu Peigen, resident XINHUA correspondents in Managua: The relations between Nicaragua and the United States have been extremely tense in 1984. The United States secretly mined Nicaraguan harbors and supported and financially aided thousands of armed elements against the Nicaraguan Government to go deep in Nicaragua to attack government troops. What is more serious is this: In early November, the United States, guessing that Soviet-made MIG-21 fighters might have been shipped to Nicaragua's Corinto Harbor, immediately dispatched warships and high-altitude reconnaissance planes to intrude into Nicaraguan territorial waters or airspace many times and threatened to bomb Nicaragua's military targets once Soviet-made MIG fighters were discovered in the country. As a result, the relations between the two countries had about them the strong smell of gunpowder for a time. By moving troops about and stirring up people, the United States aimed obviously at forcing Nicaragua to submit and eliminate the influence of the other superpower in Central America.

Jin Renbo: The serious influences of the outside forces on the situation in Central America have aroused increasing concern in various Latin American countries and the world, and the voice for eliminating outside interference and letting various Central American countries solve their problems by themselves has become louder and louder with each passing day. The Contadora Group consisting of Mexico, Colombia, Panama, and Venezuela has made unremitting efforts to promote negotiations in the region, to avoid a large-scale war, and to safeguard peace in Latin America and the world as a whole. It is in these circumstances that an atmosphere of solving problems through negotiation has occurred in Central America. The United States has held nine rounds of talks with Nicaragua, and the Salvadoran Government has also conducted two rounds of talks with the guerrillas. In addition, Central American countries have also held a number of multi-lateral or bilateral talks among themselves in order to solve their problems and improve their relations.

Xu Bihua, resident XINHUA correspondent in San Jose: The Central American people urgently desire to bring the war to an end. Costa Rica commemorated the first anniversary of its declaration of permanent neutrality last month. While visiting San Jose this month, Guatemalan President Mejia Victores, together with the Costa Rican president, reaffirmed their support for the Contadora Group. Even in Honduras, some people are dissatisfied with the U.S. policy.

Xu Faxing and Liu Peigen: Thanks to the efforts of various quarters for peace, there is hope for the relaxation of the situation in Central America. However, all quarters still need to make arduous efforts to achieve peace in this region, and the United States in particular must be sincere about peace. After 20 months of arduous effort and mediation, the Contadora Group put forward a "Summary on Peace and Cooperation in Central America" and obtained the agreement in principle of five Central American countries to the document.

Nicaragua also indicated its willingness to sign the document without making any revisions. Raising side issues, however, the United States called for making some revisions in the summary. And then, some Central American countries also made the same demand. As a result, the peace plan, which could be finalized soon, was lost again. Some analysts point out: The United States did so apparently because its fear of "losing its hegemony in their region," for the United States, under the "Summary on Peace," would have to dismantle its military bases in Honduras, stop military exercises in Central America, and discontinue its military aid to the Salvadoran Government and the antigovernment armed forces in Nicaragua.

Bao Guangren, resident XINHUA correspondent in Washington: Central America will remain a "hot spot" next year. The Reagan administration's hostility to the Nicaraguan Government is evident. However, many people in the United States are opposed to direct involvement by U.S. troops in Nicaragua. Since Nicaragua is different from Grenada, the United States would have to pay a higher price should it directly invade Nicaragua. For this reason, although the possibility of U.S. armed invasion of Nicaragua cannot be completely ruled out, what is more possible is this: The United States will more often bring military (harassing by mercenaries or even bombing) as well as political and economic pressure to bear on the Nicaraguan Government in an attempt to make it collapse or to compel it to give in; on the other hand, the United States will keep open the channels of negotiation with the Nicaraguan Government.

The situation in El Salvador will not change in a short time. The negotiations between the two sides in the country have been suspended for the time being, but they may be resumed. The countries of the Contadora Group will continue to exert their influence and to seek a peaceful solution to the Central American issue. The trend in which various Central American countries want to free themselves from big-power control and to solve the Central American issue by themselves may further develop.

#### Situation in Southern Africa Tends To Relax

Chen Yifei, resident XINHUA correspondent in Harare: Important changes have taken place in the situation in southern Africa in 1984, and their characteristics have been a shift from confrontation to dialogue and from tension to relaxation. In the Zambian capital Lusaka on 16 February, Angola and South Africa signed an agreement on disengaging military contacts. On the banks of their boundary river Incomati on 16 March, Mozambique and South Africa signed a nonaggression and good-neighborly treaty. The interested parties conducted frequent and intense dialogue and consultations on the signing and implementation of the two agreements. Mozambique and South Africa undertook not to allow their territories to become bases from which other people could resort to violence and aggression against the other side, and affirmed that the way to solve disputes was through peaceful negotiations. As a result, a turn for the better has taken place in the relations between the two countries, and their economic cooperation has noticeably developed. South Africa has withdrawn some of its troops from Angola, but it continues to insist on linking the implementation of UN Resolution 435 on the independence of Namibia to the withdrawal of Cuban troops from Angola or even attempts to "solve" the Namibian question bypassing the UN resolution.

Owing to their own needs, all quarters seek a relaxation of the situation through negotiations. In so doing, South Africa wants to lessen the impact of the liberation forces and the southern advance of the Soviet Union, to extricate itself from its isolated position, to alleviate its economic difficulties, and to maintain its racist rule. The peace diplomacy and the good-neighborly policy adopted by Mozambique and Angola are conducive to their national stability, the rehabilitation and development of their economies, and the consolidation of their national independence.



Chi Shouzheng, resident XINHUA correspondent in Maputo: The peace trend in southern Africa will continue to develop in 1985. Mozambique and Angola will continue to pursue their foreign policies of independence and peace. There will be new developments or a breakthrough in the negotiations on the independence of Namibia. But the situation is complicated and the struggle is acute. The stubborn and adventurous nature of South Africa and such factors as interference by outside forces will slow down the process of relaxation and the peaceful solution of the Namibian question.

Dong Chengbin, resident XINHUA correspondent in Lusaka: On the question of Namibia's independence, the focus of world attention, South Africa has taken a conciliatory attitude in order to improve its own image and to reduce its heavy burden resulting from its longtime occupation of Namibia. Last May, for example, representatives of South Africa, the Southwest African People's Organization, and six parties in Namibia participated in a "multiparty conference"; it was the first time in the past 2 years and more that such representatives had sat together to hold talks. In July, South Africa and the Southwest African People's Organization again held talks at Cape Verde. Meanwhile, South Africa also released a number of Namibian political prisoners ahead of schedule.

To weaken or eliminate the Soviet influence in southern Africa, the United States has in the past 2 years consistently supported South Africa's plan to link the withdrawal of Cuban troops from Angola to the independence of Namibia. In the fourth quarter of the year, Angola indicated in a proposal that if South Africa reduced its occupation troops to 1,500 when UN forces enter Namibia to supervise an independent election there, Angola would agree to have Cuba withdraw 5,000 of its troops from the country with the remaining Cuban troops being withdrawn in stages in 3 years. Although South Africa did not reject this Angolan proposal, it put forward a counterproposal in mid-November.

In the counterproposal, South Africa indicated that the withdrawal of South African troops from Namibia should correspond with the withdrawal of Cuban troops from Angola; that is, as South Africa begins to implement the UN resolution on the independence of Namibia, all Cuban troops should withdraw from Angola in 3 months. Since the two proposals are quite different, it is by no means an easy task to reach an agreement on the withdrawal of troops. Of course, various quarters have their own needs and are not willing to let the Namibian question remain deadlocked for a long time. For this reason, the possibility of a breakthrough on the Namibian question sometime next year after tortuous struggle, mutual understanding, and concessions cannot be ruled out. The complicated Namibian situation has a bearing on the situation in southern Africa as a whole. As for how the situation will develop, it merits close attention by the people.

KIM IL-SONG NEW YEAR MESSAGE ON TRIPARTITE TALKS

OW010835 Beijing XINHUA in English 0727 CMT 1 Jan 85

[Text] Pyongyang, January 1 (XINHUA) -- President of the Democratic People's Republic of Korea (DPRK) Kim Il-song today urged the United States to make an early response to DPRK's proposal to hold tripartite talks on the reunification of Korea.

In his new year message released by the country's central TV station, the president said: "With a view to easing tension in our country and creating preconditions for independent and peaceful national reunification, our party and the Government of the Republic made a new proposal last year for tripartite talks between the Democratic People's Republic of Korea, the United States and South Korea and worked hard to carry it out."

"Our proposal for the tripartite talks enjoys full support from all the people in North and South Korea and from our compatriots abroad and has evoked great repercussions among the world's people," he said.

However, he said, "this proposal has produced no tangible results because the other side has not yet shown a positive attitude to it."

"The United States ought to accept our proposal as soon as possible," he noted, adding that "we will continue to make patient efforts to put it into practice."

Kim reaffirmed that the realization of the tripartite talks will "replace the Korean Armistice Agreement with a peace agreement so as to ease the tension in our country, remove the danger of a new war and ensure a durable peace."

"By means of this talk we will also adopt a declaration of nonaggression between the North and the South, thereby putting an end to the arms race and military confrontation between them and creating conditions and environments for the peaceful reunification of the country," the president stressed.

He said that DPRK "will make every sincere effort to ensure that the negotiations on economic affairs and Red Cross talks which have been held on our initiative after a long interval will bear fruit, and that extensive negotiations and many-sided cooperation and exchange between the two parts of the country will become a reality."

N. Korean Bodies Issue Document

SK012310 Beijing International Service in Korean 1100 GMT 29 Dec 84

[Text] The Committee for the Peaceful Reunification of the Fatherland of Korea and the Consultative Association for Promoting Peaceful Reunification in the North issued a memorandum on 27 December. The memorandum reaffirmed that tripartite talks should be realized at an early date to terminate tension in Korea, to guarantee peace, and to realize the early peaceful reunification of the country. The memorandum criticized the United States and the South Korean authorities who are building up arms continuously, staging various military exercises frequently, and committing provocations near the Military Demarcation Line.

The memorandum noted that such acts not only aggravate tension on the Korean peninsula but create grave obstacles to the peaceful reunification of Korea. The memorandum demanded that the United States and the South Korean authorities immediately stop aggressive acts and war activities against the Northern side of Korea.

RENMIN RIBAO VIEWS RURAL DISTRIBUTION IN DPRK

HK021129 Beijing RENMIN RIBAO in Chinese 25 Dec 84 p 6

["Newsletter From Korea" by correspondents Liu Zhengxue and Feng Zhiyuan: "Scenes of Rural Distribution in Korea"]

[Text] The weather in the northern part of Korea was abnormal this year. However, under the leadership of the WPK, a good harvest has still been achieved by the Korean people through great efforts. As was announced by the agricultural departments, grain output generally increased on more than 1,700 cooperative farms throughout the country. The per chongpo [ding bu 3957 2975] (equal to 15 mu) yield was an average 1,000 kg higher than that of the previous year. The total grain outputs of Hwanghae-namdo, Hwanghae-pukto, and Hamgyong-pukto respectively increased by 6.4, 7, and 9.5 percent over the previous year. In some places, there are even no sufficient granaries to store grains.

On a fine winter day, we paid a visit to the Sinno cooperative farm in Sinchon Prefecture. Before us was a picture of happy distribution after a bumper harvest, with distinctive Korean national features.

A year-end distribution meeting was being held here. Thousands of grain bags were used to put up a makeshift stage, and there were slogans, colored flags, and trucks loaded with grain for distribution around it. Dressed in colorful Korean costumes, the people were playing the suona horns, beating the long drums, and singing, shouting, and dancing with great joy. Soon all the guests and hosts were there and the meeting began. Kim Won-kyu, chairman of the management committee of the farm and a labor hero, wearing more than 10 medals on his chest, first delivered a speech. He summed up the experiences of this farm in last year's production and announced the distribution plan for this year and the arrangements for next year's production. Then he distributed the tickets for obtaining cash and grain among the farm workers. After that, some representatives of the operation group and farm workers also spoke at the meeting, talking about their feelings and plans for the future. After the meeting, the participants danced happily again.

The Sinno cooperative farm achieved a bumper harvest this year. Its total grain output reached 4,170 tons, which was 617 tons more than that of the last year, at an average of 9.06 tons for each household, which was an increase of 11.5 percent over last year. Moreover, due to the increased income in sideline production, including vegetables, fruit, silkworm-breeding, pig-breeding, and chicken-raising, each household received, on average, 1,174 won of cash this year, an increase of 11.7 percent over last year. If each worker retains about 300 kg of grain for himself and sells the rest to the state, the average income of each household can reach 4,343 won. Some can even have an income of more than 5,000 won.

Kim Won-kyu told us that apart from the advanced irrigation system, the scientific method of farming and management, and the development of a diversified economy, there were still two other reasons for the rapid growth of production and the distribution quota: 1) The cities had strengthened their support for the countryside, that is, industry had provided more help to agriculture; 2) the production responsibility system had been adopted on the farm. He said that in the past few years, the farm often had to use about 20 percent of its annual income to buy a large number of agricultural machines from the cities to raise the level of farm work mechanization. Presently, the farm already possesses 23 tractors, 3 motor vehicles, and 59 rice transplanters, cultivators, and combine threshers. It has also established a machinery maintenance group, thus basically realizing mechanization of farm work.

We found that the farm workers were living in quite comfortable houses. In the peasants' new village, a three or four member family lived in a flat with two or three bedrooms. There were one-story and two-story houses in this village, and also some public facilities, such as cultural houses, clinics, and nurseries. They were built with the investment of the state. In each of their houses, there is a courtyard, in which chickens and rabbits are raised. There is also a small plot of land for the peasant's use. According to the policy of the state worked out in the past year or so, the agricultural and sideline products produced by the farm workers themselves can be sold in rural markets. In addition, 40 percent of the fruit and vegetables produced by the farm are shared among the farm workers.

Korea is now practicing the system of planned distribution. The people's need for clothing, food, and shelter are basically satisfied. Most of their surplus money is deposited in the bank to support the construction of the country. Of course, the peasants also have some other expenditures, such as spending at least 2,000 to 3,000 won to prepare dowries and buy wine for their children's weddings. All commodities in the small shops of this farm are made in Korea. In the future, with the development of light industry in this country, more consumer goods will be sold in the countryside to satisfy the needs of the peasants.



CAMBODIA'S SIHANOUK ARRIVES IN BEIJING 3 JAN

OW030156 Beijing XINHUA in English 0137 GMT 3 Jan 85

[Text] Beijing, January 3 (XINHUA) -- President of Democratic Kampuchea Samdech Norodom Sihanouk and Madame Sihanouk flew in here from Paris this morning.

They were greeted at the airport by Ngapoi Ngawang Jigme, vice-chairman of the Chinese National People's Congress Standing Committee, Liu Shuqing, vice-foreign minister, Chan Youran, Democratic Kampuchean ambassador to China, and his wife, as well as diplomatic envoys to China from a number of Asian, African and European countries.

Samdech Sihanouk has come here via Paris after attending the 39th U.N. General Assembly at head of the Democratic Kampuchean delegation.

To Visit Thailand

OW031250 Beijing XINHUA in English 1232 GMT 3 Jan 85

[Text] Bangkok, January 3 (XINHUA) -- Norodom Sihanouk, president of Democratic Kampuchea will come to Thailand for an official visit around February, the political counsellor of the Office of the Personal Representative of Prince Norodom Sihanouk in Kampuchea and Asia told XINHUA here today.

During his stay in Thailand, Counsellor Lahtol said, President Sihanouk will travel to Kampuchea to see Kampuchean resistance fighters and to receive credentials from the ambassadors of Senegal and Sudan.

He is also scheduled to preside over Cabinet meetings of the Coalition Government of Democratic Kampuchea in a liberated zone inside Kampuchea, Lahtol added.

CAMBODIAN ARMY URGED TO FRUSTRATE SRV OFFENSIVE

OW030832 Beijing XINHUA in English 0724 GMT 3 Jan 85

[Text] Beijing, January 3 (XINHUA) -- The general headquarters of the Democratic Kampuchean National Army has called on all Kampuchean officers and men to fight the Vietnamese invaders resolutely and to frustrate their dry-season offensive in the New Year, Radio Democratic Kampuchea reported today.

A directive circulated by the headquarters on December 30, 1984, said that by using active and flexible guerrilla tactics, the National Army has defeated the first stage dry-season offensive launched by the Vietnamese troops from September to December.

Frequently mounting attacks on the enemy in the areas around Tonle Sap Lake, the resistance forces wiped out a number of enemy soldiers, cut off two highways, and sealed transport on the Tonle Sap River. As a result, the directive said, the enemy found it difficult to transport soldiers and supplies from the hinterland of the country to the battlefields in western Kampuchea.

The directive said that from January to April, the Vietnamese troops will launch their second-stage offensive against the resistance forces. It called on all commanders and troops in battlefields throughout the country to do their utmost to thwart the operational plan of the Vietnamese troops.

SINO-BURMESE BORDER COMMITTEE MEETING ENDS

OW310754 Beijing XINHUA in English 0743 GMT 31 Dec 84

[Text] Beijing, December 31 (XINHUA) -- The first session of the Sino-Burmese Joint Border Inspection Committee ended here today with the signing of a summary of discussions. The session opened December 20.

According to the summary, field survey of the 2,100-kilometer border by a joint team will commence in the first half of 1985. The demarcation line was drawn in the early 1960s.

The signing ceremony was witnessed by Chinese Vice-Foreign Minister Zhu Qizhen. The document was signed by Shen Weiliang, deputy director of the Treaties and Law Department of the Chinese Foreign Ministry, who headed the Chinese delegation to the first session of the committee, and U Sein Lwin, director general of the Survey Bureau, who headed the Burmese delegation to the session.

After the signing ceremony, Zhu Qizhen hosted a luncheon in honor of the Burmese delegation which is scheduled to leave for Shanghai and Shenzhen shortly.

CHINA RESOURCES CO. ELECTS NEW BOARD OF DIRECTORS

HK030444 Beijing XINHUA Hong Kong Service in Chinese 0902 GMT 31 Dec 84

[Report: "China Resources (Holdings) Company Holds Shareholders' Meeting, Board Meeting in Hong Kong"]

[Text] Hong Kong, 31 Dec (XINHUA) -- The first session of the second shareholders' meeting and the second Board of Directors meeting of the China Resources (Holdings) Co. was held in Hong Kong from 30 to 31 December. Jia Shi, vice minister of foreign economic relations and trade and chairman of the Board of Directors of the China Resources (Holdings) Co., presided over the session. The directors and representatives of shareholders of the China Resources (Holdings) Co. in Beijing and Hong Kong attended the session. The session elected new members to the Board of Directors, managing directors, the chairman of the Board of Directors, and vice chairman of the board.

The 27 members of the new Board of Directors (listed in order of the number of strokes in their surnames):

Yu Zhiting [0060 0037 1656], Wang Yongan [3769 3057 1344], Wang Mingjun [3769 2494 0193], Wang Jianhua [3769 0256 5478], Wang Yan [3769 7526], Wang Zhongyuan [3769 6988 6678], Zhou Youlan [2612 0645 7061], Song Yichuan [1345 0001 1557], Li Wenzhi [2621 2429 1807], Li Chuntian [2621 2504 3944], Li Jingtang [2621 2529 0781], Tong Zhiguang [0157 1807 1639], Lin Zhongming [2651 0022 7686], Zhou Chuanru [0719 0278 0320], Gao Shilun [7559 4258 0243], Sun Suochang [1327 6956 2490], Zhang Jianhua [1728 1696 5478], Zhang Zhen [1728 6966], Xu Deen [6079 1796 1869], Jia Shi [6328 4258], Cao Wantong [2580 8001 6639], Qi Jianghui [1213 3068 2585], Yang Zhiping [2799 0037 1627], Gi Zhongtang [7871 0022 1016], Qi Guangcai [7871 1639 2088], Liu Jingci [0491 2417 1964], and Tan Qingfeng [6223 1987 0023].

The eight managing directors are Jia Shi, Zhang Jianhua, Ji Jianghua, Song Yichuan, Tong Zhiguang, Li Wenzhi, Wang Jianhua, and Zhang Zhen. Chairman of the Board of Directors is Jia Shi. Deputy managing director is Zhang Jianhua. Vice chairman of the Board of Directors is Ji Jianghui.

According to the resolution of the session, when the Board of Directors is not in session and when the chairman of the Board of Directors is not in Hong Kong, the deputy managing director, Zhang Jianhua, who is in Hong Kong, will exercise the powers of the chairman of the board and major business matters will be determined by the Board of Directors.

Zhang Jianghua, vice chairman of the board and general manager, delivered the 1984 annual work report at the first session of the second Board of Directors. In 1984 the China Resources took a further step forward in developing diversified businesses based on trade and achieved gratifying results. The Board of Directors expressed satisfaction with the development of the company's business during the entire year.

#### CULTURAL DELEGATION HEAD ON VISIT TO PHILIPPINES

HK290728 Beijing International Service in Tagalog 1130 GMT 28 Dec 84

[Text] Last month a Chinese cultural delegation visited the Philippines at the invitation of the Cultural Center of the Philippines. The group was headed by (Ting Hu), director of the Bureau for Cultural Exchange With Foreign Countries under China's Ministry of Culture. The group was warmly received by their Filipino hosts. On this occasion of bidding farewell to the old year and welcoming the new one, (Ting Hu) prepared this broadcast for our Filipino listeners, the translation of which I will read to you:

Our visit to the Philippines took place during the latter part of November. We had accepted an invitation from the Cultural Center of the Philippines for our cultural delegation to spend a week in that country. One week was too short a time, but it left a lasting impression of the country on me and the members of our delegation.

The world knows about the unique culture of the Philippines. From the cold weather in China we flew to the warm Philippine climate and found flowers blooming and grass growing like a green carpet. The country is indeed the pearl of the East, and our hearts were warmed by the friendly feelings displayed to us by the Philippine Government and its citizens.

It was a week of strengthening friendly ties. The director of the Cultural Center of the Philippines, Dean Lucretia Kasilag, thoughtfully arranged all our activities. She was very busy with her work and had not been feeling too well at the time, but she still accompanied us during our trips. I had met Dean Kasilag three times before when she visited China, and it was nice meeting her for the fourth time in her own country.

During our visit I again saw old friends of our cultural circles whom I had met when they visited China, and I also made new friends. Such exchanges as these help our two countries to understand each other and to cement existing friendly ties.

It is heartening to know that both our governments are engaged in the task of preserving our cultural heritages.

Some of the places visited were the Cultural Center of the Philippines, the University of the Philippines, and the Philippine Women's University. We saw performances of the Bayanihan folk dancers and Ballet Philippines and heard the madrigal singers. We also saw a play. The colorful impressions we obtained helped us to understand and appreciate the art and culture of the Philippines.

The government and the Cultural Center's foresight in allowing their culture to flourish impressed us greatly. Short though our visit was, we were able to learn a lot. Each member of our delegation will keep memories of our visit. We know that Filipinos and Chinese are friends as well as our relatives. As the official in charge of the external cultural affairs of China, I was glad to be able to contribute in a small way to furthering the friendship between our two countries through such a cultural exchange.

#### XINHUA REVIEWS ASEAN'S ECONOMIC DEVELOPMENT

OW011106 Beijing XINHUA in English 1031 GMT 1 Jan 85

["Yearender -- Steady Economic Development in ASEAN (by Xhao Jinchuan)" -- XINHUA headline]

[Text] Beijing, January 1 (XINHUA) -- The 1984 economic growth rates of five of the six members of the Association of Southeast Asian Nations (ASEAN) -- Singapore, Malaysia, Thailand, Indonesia, Brunei Darussalam -- are expected to surpass five percent. Only the Philippines, hampered by political turmoil for the past 12 months, is suffering an economic downturn, the worst in post-war years.

The other countries of ASEAN adopted a series of measures in 1984 that have improved their economies which have been seriously affected by the economic crises of Western nations during the past few years. During the past year, ASEAN stressed the need to use their own resources, readjust their agricultural policies, develop their industries and cut back on imports in order to increase their national incomes.

Malaysia launched an industrialization plan and a transition from small-scale peasant farming to modernized large-scale agriculture.

Thailand increased its budget for the development of impoverished rural areas and engineered progress in its rural irrigation, electric power and transportation.

Hit by a world-wide oil price slump, Indonesia, a major oil exporter, made up for the losses from decreased oil exports by developing its coal industry and increasing its timber and rubber exports. By the end of October, the foreign exchange reserve of the country was 9.734 billion U.S. dollars.

To shift from its economic dependence on oil exports, Brunei Darussalam, which joined the ASEAN in 1984, has also initiated a long-term program to achieve early self-sufficiency in food through the development of agriculture, fishery, stock raising and a more diversified economy.



ASEAN states have attached importance to the introduction of foreign investment and sophisticated science and technology. Since the early 1980s, Singapore has attracted an annual average investment of 1.8 billion U.S. dollars of which 86 percent is foreign capital. The total investment attracted by Thailand in the first semester of 1984 reached about 870 million U.S. dollars, as much as the total investment for the previous year. Thirty percent is foreign investment. Thailand decided to invest in advanced technologies such as solar cell, biological engineering and computer software. Indonesia has also set out to develop its own computer industry.

In spite of widespread flooding and drought in most of the ASEAN states in 1984, crop harvests are still better than 1983 as a result of newly implemented effective agricultural policies. Indonesia's rice production for 1984 is expected to be 25.50 million tons, a 6.4 percent increase over 1983. An official estimate of Thailand's rice export in 1984 is a record 4.5 million tons compared with 1983's 3.7 million tons. Production totals for cash crops such as rubber, cocoa and palm oil are all larger than the previous year in Malaysia.

To ensure an increase in foreign currency, Indonesia, Malaysia and Thailand have firmly pursued a reciprocal trade policy, requesting that Western developed countries import agricultural products at the same value of the industrial products they export to the ASEAN states. While their trade with Western Europe, the United States and Japan continues to grow, ASEAN states have also actively sought wider trade with East European and other countries. All these measures have resulted in a further boost in foreign trade for the ASEAN states.

Indonesia secured a foreign trade surplus of six billion U.S. dollars in 1984, a comfortable increase over 1983's 4.20 billion. Thailand managed a relative international balance of payments.

However, some ASEAN states still face foreign trade deficits, budget deficits and heavy foreign debt burdens which, to varying extents have hampered their economic development. The political turmoil in the Philippines has strained the country's market supply and its foreign debt has soared to 25.60 billion U.S. dollars. The Philippine Government has been compelled to slash expenditures, cut back construction, and reduce imports as emergency measures.

RENMIN RIBAO ON NAVY'S REVIEW OF RECTIFICATION

HK310537 Beijing RENMIN RIBAO in Chinese 26 Dec 84 p 4

[Report: "Party Committee of the PLA Navy Holds Enlarged Standing Committee Session To Review First-Stage Party Rectification"]

[Text] At its enlarged meeting held on 25 December to study the summing-up of the first-stage party rectification, the Standing Committee of the PLA Navy's CPC Committee pointed out that after the end of the party rectification, more effective measures should be adopted to consolidate and develop the achievements of the party rectification and further strengthen party organizations.

The party rectification in the party committee and leadership organs of the PLA Navy lasted 13 months, and has been basically completed. The party rectification has brought gratifying changes in party organizations at all levels and party members in the leadership organs of the PLA Navy. The influence of "leftist" ideology has been systematically eradicated; the guideline for routine work has been straightened out; through the thorough repudiation of the "Cultural Revolution," residual factionalist ideas have been eliminated and party spirit has been strengthened, thus effecting a better unity among party members; the work style of the leadership organs has been improved, and their work efficiency has been enhanced; the evil practices of using powers in pursuit of private gains have been basically checked, and general party style has markedly improved. In order to consolidate and develop these achievements, the Standing Committee of the PLA Navy's party committee emphatically called on advancing a reform spirit and implementing the following measures:

First, organizing party members to study the CPC Central Committee's "Decision on Reform of the Economic Structure" and the spirit of the Central Military Commission's meeting in order to deepen their understanding of reform and make themselves more conscientious in maintaining an identical position with the party central leadership. It is necessary to conduct education in the party's aim, in the requirements for party members, and in the cultivation of a sense of organization and discipline among party members in order to help them establish a firm idea of serving the people heart and soul. It is also necessary to inculcate the idea of "taking the interests of the whole into consideration" in the commanders and soldiers in order to ensure that they will conscientiously subject themselves to the overall interests of the country's modernization.

Second, continuing to fulfill the tasks of rectification and correction, and implementing reform measures for the building of the Army. Remedial measures that were adopted in the party rectification and have proved effective should be carried on and must not be given up. Further reform measures should be adopted to improve things that have not been thoroughly straightened out, and efforts must not be given up halfway. It is necessary to actively create conditions for the adoption of reform measures that were not mature in the course of the party rectification. Serious consideration should be given to the opinions put forth by units which are involved in the second stage of party rectification. Reform measures should be considered in light of these opinions, and replies should be given to those units.

Third, speeding up the process of making the cadres in the leadership organs more revolutionary, younger in average age, better educated, and more professionally competent. Efforts should be made to ensure that within the 3 years beginning next year, more than 80 percent of cadres below the age of 45 in the leadership organs of the Navy reach the educational level of college or university graduates. It is necessary to have a sense of urgency in the modernization drive and to raise work efficiency.

Fourth, advancing the fine tradition of inner-party political life which was restored in the party rectification. The good methods of carrying out heart-to-heart talks, criticisms, and self-criticisms among party members, which were used in the party rectification, should be used in the future, because this will help consolidate and develop the stable and united political situation.

Fifth, strengthening ideological education in all party organizations and guarding against the appearance of unhealthy tendencies in the new situation. Party organizations and party cadres and members must not take advantage of reform to seek selfish gains for any unit or individual. When taking part in economic development and operation work, all Navy units must strictly abide by state laws and decrees and must not impair the interests of the state and the people. Discipline inspection commissions at all levels and in all units must promptly deal with cases that involve unhealthy tendencies, which must not be allowed to run rampant.

#### JIEFANGJUN BAO LAUDS WRITERS OF YUNNAN BORDER

OW300432 Beijing Domestic Service in Mandarin 0900 GMT 29 Dec 84

[Text] According to JIEFANGJUN BAO, the "Newsletter on Literature and Art" published recently by the Culture Department of the PLA General Political Department carried an article reporting on the activities of 23 writers on the Yunnan border. This article vividly recorded the experience of the writers on the frontier during a period of two months. These writers arrived in Yunnan on 13 August and left the province on 12 October this year. During these two months they had braved artillery fire along the frontier in Laoshan, Zheyingshan (Balinhedongshan), and Koulinshan, and visited various command posts, artillery positions, field hospitals, and frontier guard posts where they met with basic-level cadres, fighters, militiamen, and commune members. During this period they had worked hard, vigorously gathering news while writing articles. Some of the comrades have already published their articles in various newspapers and journals.

#### WRITERS' LEADER ENCOURAGES MINORITY WRITERS

OW021208 Beijing XINHUA in English 1151 GMT 2 Jan 85

[Text] Beijing, January 2 (XINHUA) -- "China encourages writers of minority nationalities to write in their own languages," said a China Writers' Association (CWA) leader here today. Malaqinv, member of the CWA Secretariat and chief editor of MINORITY LITERATURE, a national magazine for ethnic literature, said writers from the 55 minority nationalities in China now make up nine percent of the 2,525 CWA members. Almost the percent of the country's 10,000 writers are of minority nationalities, and nearly half of them are writing in about 30 minority languages. The veteran Mongolian writer said most of the 55 minority nationalities in China have their own languages, such as the Mongolians, Tibetans, Koreans, Kazaks, Uygurs, and Uzbeks. There are 80 literary magazines for the ethnic minorities in China, 50 of them printed in minority languages.

A poet of Korean nationality, Kim Che, said it is easier for him to express the unique characteristics and feelings of his nationality in Korean than in the Han (main Chinese) language. Kim has written 2,000 poems in Korean since the 1950s, and his narrative poem of 27,000 lines "Legend of the Morning Star" won first prize at a national minority literature contest in 1981.

Dan Zen, chief editor of a Tibetan language magazine, TIBETAN LITERATURE AND ART, said Tibet was known as a "sea of poetry" in the past, but no writer wrote in Tibetan during the "Cultural Revolution." The TIBETAN LITERATURE AND ART started publication in 1980, it has carried literary works written in Tibetan by 300 authors, including short stories, novelettes, essays, poems, and literary critiques.

Writings in Tibetan made up 60 percent of the entries in the three Tibetan literature contests involving four provinces and the Tibet autonomous regions during the 1982-1984 period.

The Yi nationality recently again picked up its own language in literary writing after a long suspension. The Yis are widely scattered over Sichuan, Guizhou and Yunnan Provinces in southwest China.

CWA sponsored the first national minority literature contest in 1981 to promote ethnic literature, and 140 works won prizes at the contest. CWA has also sponsored special courses to train minority writers and organized minority writers for trips within China as well as to Yugoslavia and Romania. Minority literary works now include poetry, novels, essays, reportages, children's literature, plays, scenarios, literary theory, translation, and history of literature. Departments of minority literature have been established in China. A dozen monographs on minority literature such as "Minority Literature in China" and a draft "History of Contemporary Minority Literature in China" have been brought off the press in recent years.

#### FURTHER REPORTAGE ON HU YAOBANG'S HUREI VISIT

HK020727 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 30 Dec 84

[Special feature by a station reporter: "'The General Secretary and the Specialized Households' -- on the General Secretary of the CPC Central Committee, Hu Yaobang's, visits to Specialized Households in Huangmei County in Our Province"]

[Text] This was an unforgettable event. On 13 December 1984, despite rain, Comrade Hu Yaobang, general secretary of the CPC Central Committee, visited specialized households in Huangmei County in a border area of Hubei. That day there was heavy winter rain and a piercing wind and the roads were muddy. Accompanied by comrades, including Guan Guangfu, secretary of the Hubei Provincial CPC Committee; and Qian Yunlu, deputy secretary, General Secretary Hu said good-bye to north Jiangxi, crossed the Chang Jiang, traveled in a station wagon for over 100 li amidst mist and rain, and full of zest, arrived in Chengguan in Huangmei County which has glorious revolutionary traditions.

At 1120 General Secretary Hu vigorously walked into a bright, simple, and clean reception room. He received the representatives of three specialized households -- (Zhang Lingsong), head of a turtle-breeding specialized household in (Dushan) district; (Yan Jingxuan), a farming expert in Konglong district who sold 160,000 jin of grain; and (Lu Dengqiao), a handicraft industry worker in (Dehua) village in Konglong district who set up a handicraft factory. (Zhang Lingsong) was slightly late for the reception and felt a little uncomfortable but, the general secretary, seeing this, stood up and shook hands with him on his own initiative, cordially saying: You get rich through breeding turtles. Where is your hometown? (Zhang Lingsong) who is modest, sincere, and honest, excitedly said: I am a native of (Dushan). The general secretary asked again: How many turtles have you bred? He answered: I have bred 4 tons -- 8,000 jin. The general secretary was very glad to hear this. After that, he asked again: What is the average weight of a turtle? (Zhang Lingsong) made a gesture, saying: The biggest is 3 to 4 jin and the smallest is only as big as the tip of a finger. The average weight of a turtle is about 1 jin. The general secretary said: Ah, that is over 8,000 turtles. He also asked (Zhang Lingsong): How many have you sold? Where have you sold them? Can they reproduce? Was there such a trade in the past? (Zhang Lingsong) replied to the questions one by one.

Then Comrade Qian Yunlu, deputy secretary of the provincial CPC Committee, who had visited (Zhang Lingsong's) house before, explained the situation to the general secretary, saying: The turtle pond at his house is built well and there are sandbags and cobbles in it. These turtles have laid many eggs.



On hearing this, the general secretary smiled, nodding. He asked (Zhang Lingsong) again: How many are there in your family? How many laborers? (Zhang Lingsong) said: My family has five members and there is only one laborer, that is me, and also a housewife. The more the general secretary listened the more interested he felt. He especially turned around and asked (Shi Taisu), secretary of the Huangmei County CPC Committee, who was sitting beside him: How many turtle-breeding specialized households are there in the whole county? (Shi Taisu) told the general secretary: There are only 20 turtle-breeding households and over 80 eel-breeding households. Then he added: (Zhang Lingsong) has also bred eels and has a Dongfeng truck and a tractor to engage in transport. The general secretary was extremely happy and repeatedly praised him saying: That is good. That is good. He instructed the members of the county CPC Committee and the representatives of the specialized households: Your communications and transport are convenient here. Shipping and land transport are also convenient. Turtles and eels have great vitality and are not readily perishable. You can breed a large number of them.

It was 1200, time for lunch. General Secretary Hu was still talking cheerfully and humorously with the representatives of the specialized households. He turned to (Yan Jingxuan) and (Lu Dengqiao), asking in detail about their situation in production and business. The general secretary gathered that the products of the handicraft factory newly established by (Lu Dengqiao) are marketable. The cost is low but the profits are high. The output value is some 200,000 yuan a year but the profits are over 100,000 yuan. He felt very happy. At this time Comrade Qian Yunlu suggested that the representatives of the specialized households should have a photo taken with the general secretary, who readily agreed. He saw that (Lu Dengqiao) sat a little farther away. He said softly: Draw closer! Draw closer! (Lu Dengqiao) moved his body a little closer to the left side of the general secretary and sat down. (Zhang Lingsong) and (Yan Jingxuan) also sat down near the general secretary. Then, a press photographer seized the opportunity and took this rare and valuable picture.

At 1400 General Secretary Hu braved the rain and left in the station wagon. It was a long time before the representatives of the specialized households who had been received, calmed down. At dusk that very day, (Lu Dengqiao) hurried back to (Dehua) village in Konglong district from the county seat. On his way home the cold wind chilled him to the bone and rain fell on him. (Lu Dengqiao's) clothes got soaked. Although he passed his home, he did not bother about taking an umbrella and changing into a pair of rubber shoes, he concentrated on hurrying back to the factory to report the happy events to the workers there. As soon as he entered the door of the factory, he could not refrain from waving his arms and shouting: General Secretary Hu has come. General Secretary Hu has received us. All 40 persons of the whole factory smiled. That same evening (Lu Dengqiao) and all the workers formulated a plan for absorbing qualified persons, developing intellectual resources, and doubling the output value and profits in the coming year.

The scene at the villages where (Zhang Lingsong) and (Yan Jingxuan) live, was even more exciting. Many old people holding sticks, women carrying babies, and children stepped forward to greet them. (Zhang Lingsong) said: Thanks to the party, I have today seen the general secretary. In the future I must work even harder. I must work hard to make new achievements. His uncle, (Zhang Fuhai) offered advice, saying: I have a plan. The water of the turtle pond must be regularly changed. This water is very rich. Using it to breed fish will surely kill two birds with one stone. On hearing this, his wife also softly said: The spring water of the well at the back is warm in the winter and can be used for the little turtles to live in through winter. Meantime, (Zhang Lingsong) was working out a favorable plan. Apart from what you have thought about, next year, we must set up an earthworm farm and a river snail farm.

Turtles can be fed with earthworms and river snails and the water of the turtle pond can be used to breed fresh fish, resulting in a cycle of production and in an increased value. The breeding trade of the household will become gold bars for all of us. All of the family members listened carefully and beamed with joy. He continued: Next year we must build a hothouse, breed more, and teach several households to breed turtles. Roosters heralded the break of the day and, in the twinkling of an eye, the morning light shone through the whole house and through the forests and brightly covered the land. Facing the brilliant morning light, (Zhang Lingsong's) family led his neighbors to make a step toward the new aim.

SHIJIE JINGJI DAOBAO CARRIES HU YAOBANG REMARKS

OW030046 Shanghai City Service in Mandarin 2300 GMT 30 Dec 84

[Text] The issue of SHIJIE JINGJI DAOBAO [WORLD ECONOMIC HERALD] published on 31 December carries at the top of the front page detailed excerpts of remarks made by Comrade Hu Yaobang in a recent interview with Bai Jinian, secretary of the Shaanxi Provincial CPC Committee. Hu Yaobang pointed out: We should do away with the idea of the small-scale peasant economy and the concept of feudal patriarchy. The old, leftist things in our propaganda work should be corrected, and anything that encourages the feudal patriarchal concept should be discarded. Empty and stereotyped words which are not to the point can only hinder people's minds, make us conservative and backward, and obstruct reform. We should enthusiastically encourage and boldly support those who are courageous in making reforms and all styles of work that are conducive to reforms.

This issue of SHIJIE JINGJI DAOBAO also carries a report on a recent meeting held by some 200 middle-aged and young doctors, masters, and entrepreneurs in the municipality. According to the report, more than 200 proposals for Shanghai's urban reform were made at the meeting.

PENG ZHEN, XI ZHONGXUN MARK SHEN JUNRU BIRTHDAY

OW021457 Beijing XINHUA in English 1433 GMT 2 Jan 85

[Text] Beijing, January 2 (XINHUA) -- More than 400 people gathered here today to commemorate the 110th anniversary of the birth of the late Shen Junru, who chaired the Chinese Democratic League Central Committee. Among those attending the meeting were Peng Zhen, a member of the Political Bureau of the Communist Party Central Committee and chairman of the Standing Committee of the National People's Congress, and Xi Zhongxun, also a member of the party Central Committee Political Bureau.

Shen Junru, born at Jiaying, in Zhejiang Province, was a long-serving jurist. He was engaged in the constitutional movement, and took an active part in the 1911 revolution led by Dr. Sun Yat-sen after returning from Japan where he studied law. Together with the late Madame Soong Ching Ling and He Xiangning, Shen organized the National Salvation Federation after 1931, and played a major part in the National Salvation Movement against Japanese aggression. After the founding of the People's Republic, Shen served as president of the Supreme People's Court and vice-chairman of the Standing Committee of the National People's Congress. He died in Beijing in June, 1963.

Shi Liang, chairman of the Central Committee of the China Democratic League, presided over the meeting. In his speech, Xi Zhongxun praised Shen for his love for his country and its people, for seeking truth and for devoting his whole life to the democratic revolution and socialism.

He said Shen had co-operated with the Chinese Communist Party since the first revolutionary civil war and was a close comrade-in-arms of the Chinese Communist Party. Xi said Shen supported the program of the new democratic revolution, and worked hard to help establish New China. He noted that Shen criticised shortcomings he saw in the Communist Party, made suggestions and contributed to the socialist construction and the promotion of safeguarding world peace.

Hu Yuzhi, vice-chairman of the Central Committee of the China Democratic League, and Shen's daughter, Shen Pu, also delivered speeches.

Also present were leading members of the National Committee of the Chinese People's Political Consultative Conference, the United Front Work Department of the Communist Party Central Committee, the democratic parties, the All-China Federation of Industry and Commerce and the All-China Federation of Taiwan Compatriots.

#### COMMENTATOR VIEWS DEFECTS IN POLITICAL WORK

HK030302 Beijing ZHONGGUO QINGNIAN BAO in Chinese 25 Dec 84 p 1

[Commentator's article: "Concern for People Is Ideological and Political Work at Its Best -- Also Talking About Surmounting Three Defects in Ideological and Political Work"]

[Text] In the course of the present economic reform it is particularly important to improve and strengthen ideological and political work, especially among young people. To be sure, many units have been actively carrying out effective ideological and political work. In general, however, our ideological and political work has not kept pace with the developing situation of the present reform. The following three major defects remain in this field: The first is to indiscriminately "pump" all kinds of ideas into young people's heads without giving consideration to their actual thinking; the second is to "check up on" young people who have made some minor mistakes or have uttered some cynical remarks by making too much of a fuss over such problems rather than directly helping young people solve their problems; and the third is to "criticize" young people who have ideological problems in an arbitrary and coercive way or even to hurl some excessive epithets at them rather than discuss these problems with them in an equal way. Unavoidably, the above methods in our ideological and political work have aroused resentment among young people.

The methods of "pumping," "checking," and "criticizing" go against the fine traditions of our party's ideological and political work. In the Red Army years our ideological and political work mainly relied on two points: One was to give publicity to some theories which were closely related to reality, and we seldom used lengthy and empty indoctrination. For example, we explained to our soldiers in terse and lively language why we opposed imperialism and why we struggled to overthrow the landlords and distribute the land. The other was to show concern for people and to highly value comradely friendship. For example, cadres often came to tuck in soldiers' at night and offer comfort to the sick and wounded. Depending on these two points, our ideological and political work played a powerful rule during the hard years of the protracted revolutionary wars. It is a pity that this fine tradition of our party's ideological and political work had been cast away due to the influence of "leftist" ideology even before the "Cultural Revolution." Our ideological work shifted more and more to indoctrination by big and empty theories, while showing kind care and love for the people, which is the most important part of our ideological and political work, was gradually forgotten. Things became even worse during the 10 years of domestic turmoil. In those days "mass criticism" played a major role, and ideological and political work was merely synonymous with scurrilous and unjustifiable attacks on people.



Since the 3d Plenary Session of the 11th CPC Central Committee, great improvements have been made in our ideological and political work. However, the problems of "pumping," "checking," and "criticizing" remain to this day.

We must not continue those outmoded methods in order to improve and strengthen ideological and political work. The methods of "pumping," "checking," and "criticizing" will only remove our equal relationship with young people and will never achieve positive results. In the 1980's we are facing a new situation and are undertaking new tasks, and we will meet many new matters and questions. Our ideological and political work must proceed from the reality and adopt new methods to make it more lively and effective. Only thus can it play a role of guaranteeing and promoting the smooth development of economic reform and the modernization drive.

What are the desirable new methods? We cannot work behind closed doors to consider how to improve and strengthen ideological and political work. In order to restore and advance the fine tradition of our party's ideological and political work, CYL cadres at all levels should first familiarize themselves with the interest and sentiments of today's young people and then study ways to conduct lively ideological education. To do so, we must immerse ourselves among young people, living in their canteens, and talking with them as friends in order to win their trust and understanding and build true friendship. We should know what they are thinking about and what they are hoping for. We should offer them whatever is feasible and available, and should explain to them why something cannot be realized at the present stage. We must abandon the method of indulging in preaching lengthy and empty theories; instead, we should resort to showing kind care and love for people as the most important part of ideological and political work. When we see some young people maintaining incorrect ideas, we should patiently listen to their views in an equal manner and then study and discuss with them. There should be no action to gag these young people, check up on them, criticize them, or attach labels on them. For example, some young people now have no interest in studying political theory, and we should not generally blame them for "lacking lofty ideals." Instead, we should seriously study the reason why they have such sentiments and why they have no interest in political studies in order to improve our work and to solve the remaining problems.

As long as we overcome the three defects of "pumping," "checking," and "criticizing" and really go among the masses of young people, and adopt showing kind care and love for people as our primary task, it is certain that the ideological and political work of our CYL organizations will play a big role in the ongoing reform.

#### COMMENTATOR URGES UPHOLDING PROFESSIONAL ETHICS

HK020703 Beijing RENMIN RIBAO in Chinese 28 Dec 84 p 1

[Commentator's article: "Attach Importance to Education in Professional Ethics"]

[Text] According to complaints by people in various areas, a small number of personnel in the public utility and service departments, such as the commercial, railway, post and telecommunications departments, treat their customers rudely. They load or unload passengers' luggage and postal parcels in a boorish and rough manner, and some of them have even illegally torn open mail and journals. The occurrence of such immoral events from time to time has irritated the masses. They denounce such things as harmful to the reputation of the state. Indeed, this must arouse the attention of the whole society. In our country the normal production and work order was once disrupted by the 10 years of domestic turmoil.



Reasonable regulations and traditional trade ethics in many departments were cast away. Although the departments concerned have done a great deal of work to set things right, the pernicious influence of the "Great Cultural Revolution" has still not been thoroughly eliminated. In addition, there is a lack of ideological and political education among new workers, who have been recruited in large numbers in various departments. This also contributes to the prominence of events in which some people violate trade ethics. An important task at present is to thoroughly repudiate the "Cultural Revolution," and this should be linked with profound and extensive education in trade ethics among workers and personnel concerned.

Trade ethics are moral rules that workers who shoulder different social responsibilities must follow. They are formed in people's belief, traditions, habits, and public opinion, and function as people's criteria for judging right and wrong and distinguishing the good from the bad. The trade ethics encourage people to insist on what is correct, to seek what is nice and ideal, to resist the influence of erroneous ideas and work style, and to fulfill their duties in a conscientious manner. Workers in industrial enterprises should take into account the interests of users of their products in order to make efforts to produce applicable products of high quality and sell them at low prices; shop assistants should do business in a civil and equitable way and should show civility to customers; medical personnel should exert themselves to heal the wounded and rescue the dying in the spirit of revolutionary humanitarianism.

In short, workers and personnel, in all walks of life have their own moral standards. Strengthening education in trade ethics is a basic task in our political and ideological work.

The kernel of socialist trade ethics is to wholeheartedly serve the people and treat one's work in the attitude as a master. In order to cultivate fine trade ethics among workers, it is not only necessary to enhance people's ideological consciousness but also necessary to cultivate good habits and behavior in routine work. A person who can abide by the ethics of this trade must first love his own job, study hard to master professional knowledge and work skills, strictly abide by labor discipline, regulations, and laws, properly cooperate with colleagues and other people, and set demands on himself and behave himself in line with the standards of the trade ethics.

Communist Party members and Youth League members should play an exemplary role in safeguarding trade ethics. Every citizen, every laborer should be an active contributor to socialist spiritual civilization. All localities and departments should adopt effective measures to ensure serious and proper education in trade ethics. This will gradually introduce a new custom of taking pride in abiding by trade ethics and regarding it as a shame to violate trade ethics in our society.

#### RENMIN RIBAO VIEWS ZHOU ENLAI'S SPEECH ON ART

HK311405 Beijing RENMIN RIBAO in Chinese 31 Dec 84 p 7

[Commentator's article: "Fully Develop Democracy in Art -- Studying Again Zhou Enlai's 'Speech to the Forum on Literature and Art Work and the Conference on the Creation of Feature Films'"]

[Text] The second volume of the "Selected Works of Zhou Enlai" was published at the eve of the Fourth National Congress of the Chinese Writers' Association. In his "Speech to the Forum on Literature and Art Work and the Conference on the Creation of Feature Films" Comrade Zhou Enlai discussed many theoretical and practical issues in the field of literature and art. Among other issues, an important one was to develop democracy in art. Reviewing his instructions is of great significance in correcting our guideline for literature and art work and in making literary and artistic creations flourish in the new period.

Democracy in art is an important guarantee for the full development of socialist literature and art. In view of the state of affairs in those days, Comrade Zhou Enlai sharply pointed out: "There is an unhealthy tendency at present. That is, there is a lack of democratic style in our literature and art work. We ask people to emancipate their minds, to do away with superstitions and blind faith, and to be more courageous to think, speak, and take action. However, many people now still dare not to think, to speak, and to take action." Why was there such a phenomenon? In his view, the main reason lay in people's subjectivist, one-sided, and metaphysical ideas. Comrade Zhou Enlai said: "A common practice in recent years is that if a person speaks his mind, he may be put into a frame, be tagged with a label, and be bludgeoned, and his faults may be seized on, or he may be required to dig his own roots out. The first step is to set a frame, which forces people to speak in line with some set requirements and forbids them to say anything beyond that confinement. With such a subjectivist framework, some people can have a foundation to find faults with others. Preceding from their subjectivist, one-sided, and metaphysical viewpoints, they may, in an arbitrary way, denounce other people as committing 'right-deviationism'." Then Comrade Zhou Enlai strongly called: "We must create a democratic atmosphere and change the work style in the field of literature and art. First of all, we should change the work style of our cadres, especially that of our leading cadres."

In light of the "leftist" situation actually existing in literature and art work at that time, Comrade Zhou Enlai preserved these views. The democratic work style was originally a glorious tradition of our party. Only when we have this kind of democratic work style, can we really achieve the unification of our thoughts and actions and can we, to the greatest possible extent, give play to the initiative of our people. However, after the establishment of New China, in particular, after the completion, in the main, of the socialist transformation of the ownership of means of production, quite a few comrades in our party began to be less prudent than they were before and began to become proud. As a result, a patriarchal work style of "allowing only one party to speak" emerged among them. In the leadership work in the field of literature and art, this kind of work style was shown in the lack of artistic democracy and even the crude practice of indiscriminately applying fixed patterns in evaluating literature and art works, seizing on people's shortcomings, probing into people's ideological roots concerning their mistakes and wielding big sticks. This produced a negative impact on our socialist literature and art and caused great losses. Because of the lack of literature and art democracy, under the specific conditions of the "Great Cultural Revolution," the fascist [fa xi si 3127 6007 2448] cultural autocracy of the Lin Biao and Jiang Qing cliques emerged. Since the smashing of the "gang of four," particularly, since the 3d Plenary Session of the 11th CPC Central Committee, through bringing order out of chaos and criticizing serious "leftist" mistakes, the party's work style of seeking truth from facts has been restored and developed. Under the correct leadership of the CPC Central Committee, a new work style of literature and art democracy has emerged in our literature and art circles. It is precisely this new work style of literature and art democracy that has enabled the literature and art of the new period to score magnificent achievements and to create a heartening situation. However, we must also see that as a result of the deep-rooted influence of the "leftist" ideas, some comrades can easily have relapse and consciously and unconsciously observe and deal with problems from a "leftist" point of view. Such phenomena as picking on people, putting political labels on people, and wielding big sticks have also appeared on some occasions. All this will inevitably affect the smooth progress of our cause. If the influence of the "leftist" ideas is not eliminated, our literature and art cause will continue to develop with difficulty. Therefore, we must continue to pay special attention to eliminating the influence of the "leftist" ideas. At present we must: 1) Resolutely implement the policy of "letting a hundred flowers bloom and a hundred schools of thought contend" rather than wavering or thinking of "restricting" at the mere rustle of leaves in the wind.

2) Allow the writers to enjoy full freedom in creation work and to bring their initiative and creativity into full play in the air of freedom, rather than flagrantly interfering in their creation. 3) Require the leaders to get along with the writers and artists on an equal basis and to listen to their opinions with an open mind in order to give play to their talents. In short, only when the democratic work style is fully developed can literature and art acquire new vigor and vitality and achieve a greater development in the new historical period.

The development of the democratic work style in art circles and showing respect for the law of creation are inseparable. Comrade Zhou Enlai pointed out: "Like industrial and agricultural production, literature and art have their own objective law of development. Of course, as literature and art are spiritual production and products of the brain, they are more complicated and more difficult to grasp." He urged the writers and artists to become proficient in professional work, saying: "A writer who only knows politics and is not proficient in his professional work can only write slogans, which cannot move the people. They can do some other jobs, such as engaging in propaganda work, but cannot become artists."

In calling for the development of democracy in art and respect for the law of art, Comrade Zhou Enlai raised questions based on the point that art has its unique traits and unique laws. Though a form of propaganda, literature and art is different from other forms of publicity, it reflects life through thinking in terms of images. Therefore, reflection of life by literature and art has its unique laws. Literature and art work also has its own laws. For a long period of time many comrades paid inadequate attention to the laws governing literature and art. For a time there appeared the slogan of "writing, acting, singing, and drawing based on central issues." This slogan may not have been prompted by bad motives. But this runs counter to the laws of literature and art. Since experiences and lessons have been summed up, no one has raised this unrealistic slogan. But the possibility of a repetition of the situation of acting contrary to the laws of art cannot be absolutely ruled out. For example, though the slogan of "greenhorns leading professionals" is no longer put forth, some comrades feel that this still represents a law. They think that as long as people are politically qualified, they can still take good charge of literature and art without being professionally proficient. Actually this is not right. Without an iota of professional knowhow, political training means for nothing. Greenhorns, totally new to professional matters, know nothing about the laws of art and have no democratic style. How can they take proper charge of literature and art? Also, the slogan of "writing based on central issues" is no longer put forth. But some comrades have also put forth slogans like literary and art creations having to "closely catch up." In fact, this is also unscientific and incompatible with the laws of literature and art creation. We call for maintaining flesh-and-blood ties between writers and the masses of people in actively and fervently reflecting real life and the spirit of this era of ours. But writers differ in their preferences, specialities, and traits.

There cannot be an arbitrary demand on what to write and what not to write without making a concrete analysis. Given rapid changes and developments in real life, we must allow writers a period of deep involvement with life, a period of pondering life, and a period of warming up to creation. Moreover, the aesthetic needs on the part of the masses are varied. Subject matter for socialist literature and art should be infinitely wide in scope. We want writers to be concerned in real life and reflect it and not call for all of them to "closely catch up." In the socialist period, writers have full freedom of creation and can entirely choose subject matter based on their own life experience and their own reflections on life in portraying the main themes and creating their own artistic style. Some literary creations that "closely catch up" in simplified form are often devoid of vitality. Only works that reflect life based on conformity with the laws of literature and art and are really based on a writer's deep reflections can have lasting vitality.



Developing democracy in art is a problem of long standing and also a new issue. Only by seriously carrying out practice and making joint efforts in literature and art work can we create a new situation of great prosperity in literature and art.

COMMENTATOR URGES DEVELOPING ANIMAL HUSBANDRY

HK310204 Beijing RENMIN RIBAO in Chinese 27 Dec 84 p 1

[Commentator's article: "Pay Special Attention to Animal Husbandry"]

[Text] Central leading comrades recently pointed out that animal husbandry must develop substantially in the next 30 years. This is an important part of the present rural economic reform. The fulfillment of this task will ensure the comprehensive development of farming, forestry, animal husbandry, and sideline industries and will form a benign cycle for agricultural development and create fine conditions for the transformation of the rural economic structure. Developing animal husbandry is a step to benefit future generations and improve the health of the whole nation. Therefore we must work in a down-to-earth manner to unremittingly carry out this measure.

The key to the substantial development of animal husbandry is that our guideline must fit the developing situation. With the improvements in grain production and the development of rural commodity production, our projects for building some grain production bases will no longer meet the needs of urban and rural residents, whose livelihood is improving each day. We are urgently required to build more animal husbandry base, food and fodder processing bases, and bases for producing meat, poultry, milk, and fish to supply the markets. In other words, while paying attention to the building and improvement of commodity grain production bases, we should gradually and realistically shift the focus of our agricultural work to the development of animal husbandry and fishery. Will this affect grain production? No, because grain is the foundation for the development of animal husbandry and economic diversification, and the state will have to continue to support and encourage grain production. In addition, the development of animal husbandry will not only supply more meat, poultry, and milk for the markets, but will also supply more organic fertilizer, thus providing favorable conditions for increasing the output of grain, cotton, and oil crops. Moreover, the substantial development of animal husbandry will open more markets for grain and increase grain consumption, which will stimulate grain production and the grain processing industry. This will also change the low economic efficiency in grain planting at present.

Some people may think that Chinese habits differ from those of foreigners. The staple food of the Chinese is grain, and they are not accustomed to meat, poultry, and milk as their main food. In fact, with the development of production, their consumption habits are also changing. In the past they just tried to satisfy hunger, but now they want to eat better. For example, people living in cities or in the countryside no longer like to eat fat pork; instead, they like to eat lean meat, chicken, eggs, milk, and fish. The development of the commodity economy will change people's consumption structure and society's industrial structure. Since the two sides are interactive, we should pay special attention to the development of animal husbandry in the readjustment of the rural industrial structure.

Still, some people think that our country has insufficient arable land and a large population and our per capita grain output is at a low level, so it will be difficult to substantially develop animal husbandry. This idea is one-sided. Precisely because our country has insufficient arable land, we should all the more make use of the vast stretches of hilly land and grassland to develop animal husbandry.



In our country there are vast areas of unexploited grassland -- even billions of mu. In densely populated farming areas, there is much waste grassland, hillsides, and beaches which can be used to raise animals. We can also find rich fodder resources from stalks and straws of crops. By making full use of all these favorable conditions, we will certainly promote the development of animal husbandry. As long as we use our brains to open up new ways, arouse the masses' enthusiasm for developing animal husbandry by adopting suitable economic policies, promptly settle difficulties in the course of development, and pay attention to giving play to local advantages and suiting measures to local conditions, we will certainly be able to develop animal husbandry to a substantial degree.

RENMIN RIBAO EDITORIAL VIEWS COMMODITY ECONOMY

HK310910 Beijing RENMIN RIBAO in Chinese 31 Dec 84 p 1

[Editorial: "Switch Rural Production Onto the Track of Commodity Economy"]

[Text] Our country's rural economy has now entered a new stage of development. The recent national rural work conference laid down the new tasks and the guiding ideology for rural work next year and for a time to come. It laid stress on continuing to carry out reforms of the economic structure, expanding regulation by market mechanisms under the guidance of the state plan, spurring the rationalization of the rural production mix, and further enlivening the rural economy. This is bound to have a far-reaching impact on maintaining the fine momentum in rural economic development, enabling the peasants to get rich as soon as possible after solving the problem of food and clothing, and accomplishing the vast goal set by the 12th National Party Congress.

Five years of the 1980's have now passed. These have been 5 years of great change and great development in rural China. Guided by the 3d Plenary Session of the 11th CPC Central Committee and the series of rural work principles and policies of the central authorities in recent years, the millions of peasants have plunged into the great practice of reform. They have created the contract responsibility system with payment linked to output based on the household, a system of great vitality which has brought prosperity to the entire rural economy. The masses' enthusiasm has risen year by year, and the momentum of the development of commodity production has improved year by year. In the past 5 years output of the main agricultural products has registered sustained growth throughout the country and there has been a sustained rise in peasant income. The successes in agricultural production have provided the material basis for readjusting the rural production mix. The reform of the economic structure with the focus on the cities, which is about to unfold throughout the country, will also stimulate rural reforms and gradually produce a new situation in which the urban and rural areas spur each other on and achieve coordinated development. This is an extremely favorable opportunity for speeding up the development of rural commodity economy.

Switching rural production onto the track of commodity economy is a great and historic strategic task. The 3d Plenary Session of the 12th CPC Central Committee pointed out: "The full development of commodity economy is a stage that cannot be passed over in the social and economic development of our socialist economy." Due to the fact that rural China has not yet shaken off the idea of self-sufficient and semi-self-sufficient economy, and the role and scope of regulation by market mechanism are bigger and more extensive than in the urban areas, the development of socialist planned commodity economy is particularly important for the rural areas. After liberation, the rural areas long followed the track of "self-sufficient-type" and "supply-type," with most of the agricultural products being consumed by the people themselves and almost by the state. Basically it has been a case of "producing whatever the state wants, and the state procuring everything that is produced."

Due to the rapid development of the productive forces under the stimulus of the rural reforms in recent years, an ever-sharpening contradiction has formed with this state of affairs. At present the capacity of agricultural production to meet market and social needs is very poor. Output of products has increased but quality is low, and there is no full range of products. Difficulties in selling the products and clogged circulation channels often occur. In order to fundamentally solve these contradictions, it is essential to reform the economic management setup and stimulate the switch of rural economy toward commodity economy.

To bring about this change, it is necessary to further implement the policy of opening up and enlivenment. We must expand regulation by market mechanism, under the guidance of the state plans and change the monopoly procurement and marketing setup with its excessively rigid controls. Beginning next year, with the exception of certain products, no more procurement tasks will be set. In line with the different circumstances, contract purchases and market procurement will be instituted, and rural production will switch to "producing whatever the market needs." In this way the peasants will enjoy fuller operational decisionmaking powers and the state will carry out regulation through economic measures which will make the rural economy richer and more lively. At the same time the rural areas should also put into effect policies of further opening up mountain and forest areas, of enlivening finances, of encouraging the peasants to develop township and town enterprises and run transport undertakings and extract minerals, and of encouraging technological transfer and exchange of talent, expanding economic contacts between urban and rural areas, and opening up to the world. In the final analysis, this series of important economic policies is aimed at developing the rural commodity economy as quickly as possible.

Reforming the rural production mix, gradually switching from concentrating on crop cultivation to all-round development of agriculture, forestry, animal husbandry, sideline occupations, and fisheries, and promoting comprehensive agricultural-industrial-commercial operations are important tasks in developing the rural economy. Only by rationalizing the production mix and changing the situation in which "800 million peasants are all growing food to eat" will it be possible to achieve a great increase in economic, ecological, and social results in rural production, divert a large amount of manpower, change the irrational pattern in population and industry, and embark on the road of the coordinated development and common prosperity of town and countryside. Promoting a division of work and trades and reforming the production mix complement the switch of rural production to commodity economy. The development of commodity production is bound to lead to the development of a division of labor. When the specialization caused by a division of work reaches a certain level, it will lead to a change in the social production mix. We must spur coordinated development within agriculture and between the various production sectors of the rural economy in accordance with the demands of natural and economic laws. The aim of developing commodity production is identical with that of developing a cooperative economy. Our work is centered on greatly developing commodity production, enhancing the productive forces as rapidly as possible, and perfecting the cooperative system based on the responsibility system of linking payment to output in accordance with the demand for developing the productive forces.

Switching rural production onto the track of commodity economy will bring about extremely profound changes in every aspect. To meet this change, we must also achieve a "switch of track" in ideology, work style, and method. This means that we must change the method of applying administrative measures to "urge on planting, harvesting, and procurement," and strive to learn how to apply economic levers such as prices, tax revenue, and credit to spur economic development, how to apply the measures of law to preserve economic order, and how to apply the measures of information to carry out economic policymaking and consciously organize production in accordance with the law of value.

Acting according to the objective laws of commodity economy is an arduous and unfamiliar task, and it is particularly important to step up study. In regard to the new contradictions and topics that are constantly cropping up in work, we must sincerely seek assistance from the masses and launch the masses to solve them. The masses will be able to create ways to deal with them. China's rural areas are in a period of profound change, and the new historic opportunity leads us to a new starting point. The past 5 years have been but the prologue to great development of the rural commodity economy, and the real high tide is yet to come. Under the leadership of the CPC Central Committee, let us unite the millions of peasants to boldly forge ahead and greet this new high tide!

RENMIN RIBAO WARNS AGAINST INFLUENCE OF GOSSIP

HK020801 Beijing RENMIN RIBAO in Chinese 29 Dec 84, p 4

[Commentator's article: "Guard Against the Influence of Gossip"]

[Text] In the practice of economic construction, large numbers of outstanding cadres who are both knowledgeable in modern economics and technology and imbued with an innovative, enterprising spirit and who are capable of bringing about a new situation in whatever they do are emerging. Promoting these comrades to leading positions as quickly as possible and bringing their role into full play has become an urgent task lying ahead of the whole party. However, due to various reasons, there are still many obstacles hindering personnel promotion in quite a few localities and departments at present, one of which is the influence of gossip.

People may frequently meet with a phenomenon like this: When a cadre who is highly competent in opening up new prospects in work and imbued with an enterprising spirit and who has made contributions is about to be promoted by the leadership concerned, all sorts of comments will arise therefrom. Some people will say he is "arrogant" and others that he is "incompetent." Still other people even go further to launch personal attacks out of thin air. Before one is promoted, he has already been defamed completely by gossip. At this juncture, some leaders unexpectedly refuse to have anything more to do with the promotion and even dare not mention it any longer.

There are many reasons for this state of affairs, such as being jealous of other people's talent, succumbing to factionalism, the abnormal political life within the party, and gossip resulting from the distorted transmission of nonerroneous suggestions. It can be said with certainty that with party style taking a turn for the better day by day, gossip will become less and less influential.

In the course of promoting outstanding cadres, the higher authorities must conduct a careful and thoroughgoing assessment, widely heed opinions, be good at making a analysis and judgment, and make correct decisions on the cadres who are candidates for promotion. As far as those outstanding cadres who have proven themselves genuinely talented by their own performance in practice, including cadres with some shortcomings or weak points, are concerned, we should boldly promote them one by one when they meet the required standards and when we are sure of their competence. In brief, so long as we respect the opinions of the masses and guard against the influence of gossip, we can achieve the "four transformations" of the cadre contingent.

STATISTICAL BUREAU REVIEWS 1984 ECONOMY

HK021243 Beijing JINGJI RIBAO in Chinese 19 Dec 84 pp 1-2

["A Roundup of China's Economy in 1984" by the State Statistical Bureau]

[Text] In 1984, thanks to the further implementation of the policy of opening to the outside world and enlivening the domestic economy and to the acceleration of the pace of economic reform, China's entire national economy has presented a gratifying scene of vitality.



Owing to the all-round development of production and construction and the thriving trade at home and abroad, our state revenue has increased by a big margin and the life of the inhabitants in the urban and rural areas has improved continuously.

#### Rural Economy Has Continuously Developed in Depth and Breadth

On the basis of successive good agricultural yields, China has reaped another bumper harvest in 1984. The total output of grain has exceeded 800 billion jin, 25 billion jin more than in 1983; the total output of cotton has reached 110 million dan, an increase of 20 percent over 1983 and 130 percent over 1978; of the oil crops, the output of rapeseed has decreased, due to the reduction of sown area, the output of peanut, sunflower, and other oil crops has increased, and the total output of various oil crops will possibly increase by 4 percent; and the output of sugar crops, flue-cured tobacco, jute, bluish dogbane, and other cash crops has increased in varying degrees compared with 1983. This is also a rate harvest year for animal husbandry. The amount of live-stock and the output of pork, beef, mutton, milk, and eggs have increased remarkably. The nationwide afforestation movement has vigorously developed and the area of afforestation for the whole year has topped 100 million mu.

With the enlivening of the rural economy and the improvement of agricultural labor productivity, the peasants have abundant farm and sideline products to sell. Meanwhile, the surplus labor force in the rural areas has been transferred swiftly to nonagricultural production fields. According to a sample investigation conducted among 30,000 peasant households, from January to September, each peasant has sold an average of 137 jin of grain, an increase of 32.9 percent over the same period of 1983; 53 jin of vegetables, an increase of 23.3 percent; poultry, 9 percent; and eggs, 15.3 percent. The peasants' income from industry, building industry, transport, commerce, catering, service, and other trades has increased by 20.7 percent over the corresponding period of 1983. A small number of peasants have also run factories and shops in towns and cities.

The specialized households and associations engaged in rural commodity production or who serve rural production and life have attained better economic results and constantly expanded the range of their businesses. There has emerged a number of large households who have contracted 100 mu of land, raised 100 hogs, bred more than 10,000 fish, or planted 100 mu of trees. According to a survey made by Hebei Statistical Bureau among 1,018 specialized households, there were 153 specialized households who earned a total income of over 10,000 yuan each, accounting for 15 percent. The following is the trend of development of the specialized households at present: First, they have developed the natures of their businesses, namely, from farming and animal raising to processing industry, transport, farm machinery, commercial service, and other trades. Second, they have constantly expanded the range of their businesses, raised the level of specialization and socialization of their production, and turned the style of their sideline occupations on a household basis into enterprise-style operations. Third, they have tried to contract for more exploitation-type undertakings, that is, moving from farmland to forests, mountains, rivers, ponds, and lakes. Fourth, they have developed operation by individual households into joint operation.

#### Industrial Production Has Developed Rapidly in a Balanced and Coordinated Manner and Has Attained Better Economic Results

The total output value of the nation's industry from January to November amounted to 632.5 billion yuan (calculated in 1980 prices), an increase of 13.1 percent over the corresponding period of 1983. Of this, the output value of light industry totaled 311 billion yuan, an increase of 12.7 percent; and the output value of heavy industry totaled 321.5 billion yuan, an increase of 13.5 percent. The output of various major industrial products which have a bearing on the national economy and the people's livelihood has also increased.



The output of crude oil, which fluctuated around 100 million tons in the last 6 successive years, has for the first time topped 110 million tons. As a series of policies have been adopted to support the development of medium-sized and small coal mines in the localities, the output of raw coal from January to November has increased by 9.9 percent over the same period of last year. The amount of power generated has increased by 7.1 percent. The output of refrigerators and color television sets, which sold well, has increased by 100 percent. The respective outputs of cassette recorders, washing machines, cameras, electric fans, woolen fabrics, beer, and so on have increased by from 26 to 68 percent.

Industrial production in 1984 has rapidly developed in a balanced and coordinated manner. Except for the 8 percent increase in January, the average increases for other months have exceeded 10 percent. Of the 100 major industrial products, except for the production of sewing machines, cotton cloth, phosphate fertilizer, and a dozen other products, which must be restricted due to slow sales, most products have increased by a large margin over 1983. The respective annual production quotas for 66 products have been fulfilled 1 to 3 months ahead of schedule.

The reform of the economic structure and enterprise consolidation and technical transformation have instilled vitality into enterprises, thus attaining better economic results. From January to November the labor productivity of state industrial enterprises has risen by 8.5 percent over the same period of 1983; the profits and tax payments contributed by the industrial enterprises included in the budget have increased by 11.6 percent over the corresponding period of last year, exceeding the 10.5 percent growth rate of the total output value of industry calculated on the same base; and the amount of deficits incurred in the past 11 months by the enterprises running at loss have decreased by 20 percent over the same period of 1983. Since the beginning of this year 626 industrial products have won national awards for quality. Of these, except for the traditional products with Chinese characteristics, the standard quality of the rest of the quality products can match the level of similar foreign products of the 1980's.

#### Expansion of Investment in Fixed Assets and the Rapid Progress of Reform in the Building Industry

From January to November the units owned by the whole people have invested 55.3 billion yuan for capital construction, an increase of 21.4 percent over the same period of last year. It is expected that investment for the whole year will exceed 73 billion yuan, 13 billion yuan more than 1983. The four special economic zones, Shenzhen, Zhuhai, Shantou, and Xiamen, undertook more than 650 construction projects, the investment totaling 1.25 billion yuan, an increase of 120 percent over the corresponding period of 1983. The construction speed of the key projects of the state has surpassed the average national level.

The completion of the construction of a number of large and medium-sized projects and their starting operation have enabled the productive forces in the spheres of energy, communications, and transport to expand to varying degrees. The newly build railroads which are to be open to traffic extend for 1,119 km. They are mainly the Qunghai-Xiazang railroad, which runs from Xining to Germu, the South Xinjiang railroad, which runs from Tunufan to Kuerle, the Lianyungang-Lanzhou railroad, which runs from west Jiangsu to Lanzhou, and the Anhui-Jiangxi railroad, which runs from Huolongnag to Guixi.

Meanwhile, China enhanced technical transformation in the existing enterprises. In the whole year the state has invested more than 30 billion yuan for upgrading the technology of existing enterprises and imported an increasing number of items concerning advanced technology.

Since the beginning of this year, the building industry has made rapid progress in implementing the system of investment responsibility and the system of public bidding.

By the end of September, 1,691 projects had been undertaken through the bidding system, covering a construction area of over 10 million square meters. The projects undertaken through the public bidding system have, in general, shortened the construction cycle by 20 percent, reduced costs by from 6 to 8 percent, and ensured quality. The building enterprises have implemented the various forms of contracted responsibility system and over 90 percent of the state building and installation enterprises under the urban construction departments have implemented the responsibility system of contracting the amount of wages for every 100 yuan of output value. In addition, the building enterprises in all localities have made great progress and attained marked results in the implementation of the contracted responsibility system by the collective teams and in the adoption of various operation forms and employment and recruitment methods.

#### Thriving Domestic Market and Multichannel Commercial Network Which Has Begun To Take Shape

In 1984 there has been ample supply of commodities, social purchasing power has been raised, and the domestic market has been brisk. From January to November the volume of retail sales of social commodities has increased by 15.8 percent over the same period of 1983. The sales volumes of convenience food, nutriment, candies and cakes, woolen and silk fabrics, knitted wool, garments, and other commodities have increased by a big margin. The sales of electric fans, television sets, cassette recorders, washing machines, refrigerators, and so on have increased by over 50 percent on average.

The extension of land contracts has further aroused the initiative of the peasants for investing in land. From January to November the volume of sales of means of production for farming totaled 43.8 billion yuan, an increase of 11.9 percent over the corresponding period of 1983. There have been new changes in the peasants' needs for agricultural means of production. Their purchase of farm machines has turned from carts and walking tractors to four-wheeled tractors and vehicles for farm use. More and more large and medium-sized tractors are being purchased jointly by peasant households. The sales volume of Dongfangdong-75 type tractors has increased by more than 100 percent over the previous year. The peasants now have an increasing demand for better quality and famous-brand farm tools. In the purchase of fertilizer, the peasants merely asked for quantity in the past. Now they demand more varieties and better quality. There is an increasing demand for compound fertilizers and carbamide, less demand for carbon ammonia, and slow sales and overstocking of the expensive and poor quality phosphate fertilizers. The peasants prefer emulsion pesticides rather than powder. With the popularization of plastic film cover, there is an increasing demand for herbicides.

Following the reform of the circulation system, the commercial network characterized by multieconomic forms, multioperation methods, and multicirculation channels has begun to take shape. The supply and marketing cooperatives in the rural areas have changed from being run by the government to being run by the people, and thus they have genuinely become cooperative shops of the peasant masses and centers in the rural areas providing comprehensive services. There are around 40,000 state-owned small retail shops and catering centers throughout the country which have been given a free hand to run their business. Of these, the shops turned over to ownership by the whole people but operation by the collective account for 80 percent, those turned over to collective ownership account for 12 percent, and those leased to individuals for operation account for 8 percent. The country fair trade in the urban and rural areas has been relatively active and the volume of business throughout the year has totaled more than 40 billion yuan, a 10 percent increase over the previous year. Markets for farm and sideline products can be found everywhere in Chongqing City, which has made rapid progress in reform.

More than 100,000 urban and rural dealers engaged in transport business have traveled between Chongqing and the rural areas of the surrounding 50 counties during the year. They transport more than 20,000 dan of farm and sideline products to the city every day.

#### Further Development in Foreign Economic Relations

According to statistics of the customs authorities, the total value of imports and exports from January to November amounted to \$46.66 billion, a 19.8 percent increase over 1983. Of this, the total value of exports reached \$23.32 billion, an increase of 16.9 percent; and the total value of imports reached \$23.34 billion, an increase of 22.9 percent.

Of the commodities exported, the amounts of cereals, edible oils, tea, textiles, oil, and petroleum products have increased by a big margin. Of the commodities imported, the amounts of grain, cotton, edible oils, and sugar have decreased, whereas those of timber, paper pulp, chemical fibers, iron ore, rolled steel, trucks, television sets, and chemical products have increased. The volume of trade with Japan, the United States, Australia, ASEAN, the Soviet Union, and Hong Kong and Macao has relatively increased.

There have been new breakthroughs in the use of foreign investment. From January to September, China actually made use of foreign capital totaling \$1.66 billion, an increase of 100 percent over the same period of 1983. Of this, foreign loans totaled \$0.98 billion and the investment made directly by foreign businessmen totaled \$0.68 billion. Moreover, the agreements on using foreign investment newly signed totaled \$1.91 billion. The establishment of 239 Chinese-foreign joint ventures was approved, exceeding the total number for the last 5-years. The volume of business concerning foreign projects undertaken by China and China's export of labor service totaled \$0.39 billion, an increase of 34.7 percent over the same period of 1983. Of the newly signed contracts, the proportion contracting for complete set projects has been raised, whereas that merely providing labor services has dropped.

The four special economic zones, comprising Shenzhen, Zhuhai, Shantou, and Xiamen, and the 14 coastal cities newly opened to the outside this year have taken a new step forward in using foreign investment and in introducing new foreign technology.

#### A Favorable Turn in the Financial Situation and People's Income

State revenue was affected a few years ago due to the poor economic results of enterprises and to the farm and sideline products "purchased at high prices, but sold at low prices." State revenue in 1982 was only 300 million yuan more than in 1978. In the past 2 years the state adopted a series of measures to reform the taxation system, readjust the taxation policies, collect funds for the key construction projects in energy and communications, and pay close attention to turning enterprise deficits into profits, which ensured the steady growth of state revenue. State revenue in 1983 increased by 12.5 billion yuan. The situation in 1984 has been more gratifying. State revenue from January to October has increased by 19 percent over the same period of the previous year, exceeding the amount of increase of the whole of 1983.

With the development of the economy, the income of urban and rural inhabitants has markedly increased. According to bank statistics, from January to November expenditure on purchasing farm and sideline products has increased by 15.1 percent over the same period of 1983; and expenditure on workers and staff members in towns and cities has increased by 13.6 percent, that on bonuses increased by 34.8 percent, that on pensions increased by 21.1 percent, and that on other expenses on individuals increased by 34.6 percent.



The economic achievements of 1984 are the results of implementing the principle of readjustment, reform, consolidation, and improvement. The readjustment conducted in the past few years and the initial reform of the economic structure have enabled China's economy to embark on a healthy path. Naturally, there will exist difficulties in the road of advance. For example, the capacity of communications and transport being unable to meet the needs of economic development, particularly the crowded passenger trains; the shortage of electricity; the production of light industrial and textile goods failing to meet the increasing demands of customers; the soaring prices of vegetables, fruit, and aquatic products; and the restrictions of funds, materials, and technical know-how in exploiting new industrial trades and technologies.

In 1985 the deepgoing reform of the entire economic structure focusing on cities, the expansion of foreign economic and technological cooperation, the strengthening of technical transformation of old enterprises, and the role of the consumption-guiding policy in promoting production will further enhance economic vitality, arouse the initiative of the broad masses, and lay sound conditions for the development of the entire national economy. It can be predicted that in the new year, China's economy will continue to develop at a relatively rapid pace.

#### LI PENG INSPECTS NUCLEAR POWER STATION PROJECT

SK030318 Changchun Jilin Provincial Service in Mandarin 2200 GMT 2 Jan 85

[Excerpt] Construction of the Quangdong nuclear power station project in our province is in full swing. Vice Premier Li Peng inspected the construction site and encouraged cadres, technical personnel, and workers to make contributions to the construction of the project.

On 1 January leading comrades, including Vice Premier Li Peng, inspected the construction site of the Guangdong nuclear power station and said Happy New Year to workers. After listening to the report on the preparatory work for the construction of the project, they fully affirmed and praised the construction. On behalf of the Jilin provincial government and the Shenzhen branch of the Jilin International Economic and Technological Cooperative Co, (Cui Lin), adviser to the provincial government, and leaders of the construction unit expressed that they would do a better job in the future and make contributions to the construction of the project.

Construction of the Quangdong nuclear power station project started on 1 June, 1984. As of 31 December 1.44 million cubic meters of earth and stone, or 86 percent of the total construction under contract, were finished.

#### NUCLEAR TECHNOLOGY HELPS CIVILIAN GOODS OUTPUT

OW290249 Beijing XINHUA Domestic Service in Chinese 0833 GMT 27 Dec 84

[Excerpts] Beijing, 27 Dec (XINHUA) -- Nuclear technology is being shifted from mainly military to civilian use all over China -- a historically significant change. This year the Ministry of Nuclear Industry transferred more than 300 technologies to civilian industry, about the combined total number of items transferred to civilian industry from 1980 to 1983. The output of civilian products thus manufactured may reach 200 million yuan, a 25 percent increase over 1983.

The Ministry of Nuclear Industry has undertaken the tasks of design and construction of several Chinese nuclear power stations, and other civilian nuclear construction projects. It also has directly contributed to economic construction by providing such nuclear technologies as the application of reactors and accelerators, and the use of radio isotopes in the agricultural, industrial, and medical fields.



China's microreactor technology for civilian use has interested many foreign experts. China has cultured over 160 fine species by applying nuclear radiation technology, about one-fifth of the world's fine species thus cultured.

OFFICIAL ON COMMERCIALIZATION OF TECHNOLOGY

OW290101 Beijing XINHUA Domestic Service in Chinese 1130 GMT 26 Dec 84

[Text] Beijing, 26 Dec (XINHUA) -- In Beijing, a leading member of the State Science and Technology Commission today answered reporters' questions on the commercialization of technology and the technical market.

Question: Why should technology be considered as a commodity? What role will this commodity play in promoting production and expediting technological development?

Answer: As the socialist commodity economy continues to develop, division of labor becomes increasingly elaborate in society, and mental labor and technical progress play an increasingly important role in production, becoming the key in productivity development. Of all material commodities, mental labor has now become more and more valuable, and has been also gradually detached from other material commodities, coming to exist independently in the sphere of production in the form of intellectual products (or technological achievements). Like other commodities, technology as a commodity in China's socialist commodity economy also has the properties of a commodity, namely its use and value. Its value only appears during circulation and exchange of commodities. As a special commodity, technology has been acknowledged by more and more people as the most valuable commodity of all. Economic competition in the world today, in the final analysis, is a competition of technology. Facts show that whoever owns more, and the most advanced, technologies, enjoys the fastest economic growth, the highest productivity, and the most abundant material wealth.

Question: What is the significance in developing the technological market, and what are the purposes of so doing?

Answer: Following development of the commodity economy, adoption of new technologies in developing new products has become an urgent necessity in increasing productivity and achieving technological progress. To satisfy this social necessity, a new special market -- the technological market, has appeared. As soon as it appeared, the technological market, which is an important part of the socialist unified market, which is an important part of the socialist unified market, showed its powerful vitality. It certainly will give a strong impetus to our country's technological development and economic revitalization.

The role of technological market is highly pronounced in developing the economy and in enhancing scientific and technological progress. It will encourage research units, scientists, and technicians to yield more, faster, and better results by arousing their initiative and creativity. It will speed up, and shorten, the process of turning technological achievements into productivity. It will serve production by enhancing its integration with the results obtained by research units, scientists, and technicians. It will promote socialized development of scientific and technological work by removing barriers which had long existed between regions and departments. It will make our scientific and technological achievements even more sophisticated and adaptable, by encouraging the industrious and penalizing the lazy. It will promote the rational flow of knowledge and competent personnel. Whether a person is competent or not is determined by his or her achievements, and not by his or her diploma or length of service.

Such being the case, people who become qualified or knowledgeable through self-study, will be able to apply their knowledge to the four modernizations drive.

Question: How should we determine the ownership of profits from technological transfer? On what principle will the rates of technology and technological achievements be set?

Answer: Currently ownership of profits from technological transfer can roughly be categorized in the following:

-- The state is the owner of results from research projects it finances. Application for, and approval of, patents for research results will be handled according to the "Patent Law." A research unit, under the principle of not violating the state's relevant regulations, may transfer its research results at a price. Generally, the income belongs to the owner.

-- Normally the results of a research project carried out at the request of an enterprise, and financed by it, should belong to the investor. However, if the investor agrees, a research unit may sell the research results, and share the revenue with it, according to a previous agreement. The research unit will own the full amount of revenue after the stipulated period expires.

-- A research unit or enterprise owns the results of its research projects, although the research is handled by its scientists and technicians. A unit engaged in transferring the three types of research results mentioned above may retain a certain percentage of the income from the transfer, and use the money as a reward. The research project's sponsor will distribute this amount of money to those scientists and technicians who are directly involved with research and development. Those whose contributions are significant should be generously rewarded.

-- After completing their own work, scientist and technicians, or their research group, may undertake technical services, consultations, and technical development projects in accordance with the demand of various other production units. Their original unit should actively support their work. In accordance with their unit's financial support, they and their unit should reach an agreement on the right to own research results, and how the profits made from the transfer should be distributed.

-- After completing their own work, scientists and technicians may use their after-work hours to undertake such work as providing technical services and consultations needed by society, and their original units should support them. They can keep the results and income obtained from such services. Their units should also allow them to use its instruments and equipment if they need them, but will collect a fee for their use.

On negotiated rates for technological result. The rates for technological results are much more complex to set than for those of ordinary commodities. Instead of setting the rates, according to cost with a certain amount of profit, rates should be estimated in accordance with the economic results created after they have been applied to production. The prices of technological achievements are likewise subjected to market regulations. Now, instead of controlling the rates of technological achievements, we should allow them to float according to demand. To expedite the development of the technological market, buyers and sellers should negotiate transactions of technological achievements under the principle of mutual benefit.

Question: What do you think are the noteworthy problems appearing on the technological market? How should these problems be handled?

Answer: A very good momentum has appeared in the commercialization of technological achievements and the development of the technological market. This is the mainstream of the development, which should be endorsed and supported. It is a necessity of socialist construction to encourage scientists and technicians to engage in projects, which are economically profitable within a short period. As for the state's key and intermediate and long-range projects, they will be carried out under the state's mandatory, or guidance, plan. The state will perfect its management, use economic means to arouse the enthusiasm of scientists and technicians for research, and make sure that its key construction projects are completed on time.

It must be clearly stated that scientists and technicians should make sure that they finish their own work, and that they should undertake technical services only during their spare time. We should endorse those scientists and technicians spending their spare time serving socialist construction, because it is a good thing, beneficial to the country and the people. The money they earn from working hard is legitimate and above criticism. But, if their spare time earnings are relatively large, they should pay income tax, according to the state's relevant regulations.

Question: How should the development of China's technological market be organized and promoted?

Answer: The development of the technological market is a fundamental measure for implementing the principle that "economic construction must rely on science and technology, and science and technology must be geared to the needs of economic construction." It is an important, central task which must be properly accomplished by commissions of science and technology at all levels, and by all relevant departments in charge of scientific and technological work. The State Council has instructed the State Scientific and Technological Commission, the State Economic Commission, and the Commission of Science, Technology, and Industry for National Defense to head, organize, promote, and coordinate the project of developing technological market.

#### MILITARY DISABLED, DEPENDENTS RECEIVE SPECIAL AID

OW021244 Beijing XINHUA Domestic Service in Chinese 0114 GMT 31 Dec 84

[By reporter Wang Yanbin]

[Excerpts] Beijing, 31 Dec (XINHUA) -- In giving special care to disabled servicemen and to family members of revolutionary martyrs and servicemen in rural areas this year, our country has continued to ensure their good living and working and has paid attention to helping them develop production and become rich through hard work. Satisfactory results have been achieved.

Under the leadership and with the support of party committees and people's governments at various levels, the work of giving special care to disabled servicemen and to family members of revolutionary martyrs and servicemen has changed for the better in several ways. The broad masses of those to be assisted, especially demobilized and retired servicemen, have become a backbone force in revitalizing the rural economy. Working to give them preferential treatment has been strengthened in the rural areas following the implementation of the "Military Service Law." The dependents of voluntary servicemen have been made eligible for preferential treatment in 28 provinces, municipalities, and autonomous regions, and more than 90 percent of them have actually received such treatment. In 1984, more than 4 million families of revolutionary martyrs, servicemen, and disabled servicemen in the whole country received total cash assistance of 600 million yuan.

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SU, RAO ATTEND SHANDONG ARMY-SUPPORT MEETING

SK310607 Jinan Shandong Provincial Service in Mandarin 2300 GMT 30 Dec 84

[Excerpts] Sponsored by the province, the Jinan Military Region, and Jinan City, a meeting on supporting the Army and giving preferential treatment to families of servicemen and on supporting the government and cherishing the people was ceremoniously held at the Jinan Bayi Auditorium yesterday evening.

Yesterday evening, the Jinan Bayi Auditorium was brightly lit. Workers from all fronts, peasants, intellectuals, office cadres, commanders and fighters of the PLA units, veteran Red Army soldiers, family members of servicemen and martyrs, and representatives of model PLA companies, a total of some 2,000 persons, gathered happily under the same roof. The whole assembly hall was filled with a warm atmosphere of unity between the Army and the government and between the Army and the people.

Leading comrades present at the meeting were Su Yiran, secretary of the Shandong Provincial CPC Committee; Liang Buting, secretary of the provincial CPC Committee and governor; Rao Shoukun, commander of the Jinan Military Region; Chen Renhong, political commissar; Xiao Hua, member of the CPC Central Committee staying in Tianjin; Bai Rubing, member of the CPC Advisory Commission; and Fan Chaoli, member of the CPC Discipline Inspection Commission. Responsible comrades of the provincial CPC Committee; the provincial Advisory Commission; the provincial Discipline Inspection Commission; the provincial People's Congress Standing Committee, the provincial People's Government; and the provincial CPPCC Committee, including Lu Maozeng, Li Changan, Li Zhen, Jiang Chunyun, Yang Xingfu, Yang Yanyin, Zheng Weimun, Xu Shulin, Gao Keting, Wang Jinshan, Wu Kaizhang, (Wang Chengwang), (Wang Runzhai), (Feng Lejin), Liu Zhongqian, (Cui Hanqing), (Zhai Feng), Wei Jianyi, Wang Zhongyin, Li Farong, Sun Shuzhi, Yuan Bo, Qin Hezhen, Xu Leijian, Chen Lei, Zhang Zhusheng, Xu Jianchun, Ma Shizhong, Lu Hong, Ma Changgui, Ma Lianli, Song Yimin, Zhu Qimin, Li Zichao, Zhou Xingfu, Guo Yichen, Li Shijing, and (He Shousheng), Liang Deshan; president of the provincial Higher People's Court; Li Huimin, chief procurator of the provincial People's Procuratorate; Gao Qiyun; and Li Yuang, veteran comrades of the province, Zhang Feng, Li Suiying, Bai Bin, Pan Qiqi, Zhang Zhi, Ren Sizhong, Xu Zhongyu, and Xu Chunyang, responsible comrades of the Jinan Military Region also attended. Also present were retired veteran cadres including Xiong Zuofang, and Ouyang Ping, Lin Jigui and Zhang Zhenxian, responsible comrades of the Jinan City. Responsible comrades of the various provincial-level departments, commissions, offices and bureaus, and mass organization also attended.

Jiang Chunyun, deputy secretary of the provincial CPC Committee and secretary of Jinan City CPC Committee, presided over the meeting. Li Zhen, deputy secretary of the provincial CPC Committee and vice governor, and Zhang Zhi, deputy political commissar of the Jinan Military District, delivered speeches at the meeting. In his speech, Comrade Li Zhen first extended cordial regards and festive greetings to the PLA units stationed in Shandong, all commanders and fighters of the People's Armed Police Force, family members of martyrs and servicemen, revolutionary and disabled soldiers, retired veteran PLA cadres, and demobilized and retired soldiers, on behalf of the provincial CPC Committee, the provincial government, and all the people of Shandong.

In his speech, Zhang Zhi, deputy political commissar, extended warm festive regards to the provincial CPC Committee, the provincial government, the Jinan City CPC Committee and government, and all the people of Shandong on behalf of the leading organs of the Jinan Military Region and all the commanders and fighters, and extended warm greetings to the province for its tremendous achievements and excellent situation. The army men and the civilians watched a film after the meeting.

JIEFANG RIBAO HAILS SHANGHAI ECONOMIC ZONE

OW230216 Shanghai JIEFANG RIBAO in Chinese 17 Dec 84 p 1

[Editorial: "An Important Event in the Economic Life of Four Provinces and One Municipality"]

[Excerpts] The State Council recently decided to readjust and expand the scope of the Shanghai Economic Zone. The original zone, which included Shanghai and nine other large and medium-size cities, will now be expanded to include Jiangsu, Zhejiang, Anhui, and Jiangxi Provinces as well as Shanghai itself. The expansion of the zone certainly will promote the unity and coordinated economic development of the four provinces and Shanghai, and certainly will give further impetus to the nation's four modernizations drive.

Although the 10 cities of the old Shanghai Economic Zone differ in size, they all are economically developed. Their industrial structure, however, is basically one of textile, light, and processing industries. Their common weaknesses are their shortage of energy and other resources, extensive way of production, and serious environmental pollution. An urban economy cannot develop alone; it must be supported by all types of medium-size and small cities, and especially the vast countryside, so that there will be clear division of labor and closely coordinated development. Because the scope of the Shanghai Economic Zone has now been expanded to cover four provinces and Shanghai, the economic development of over 30 large and medium-size cities and a relatively vast countryside has been linked with the economic development of many small cities. Thus, both the development and exploitation of natural resources and arrangement of production will become more rationalized.

The principal shortcomings of our previous economic system lay in the integration of government administration and enterprise management, barriers between regions and departments, and inattention to commodity production and the law of value. As administrative reform has been gaining momentum, government administration has now been gradually separated from enterprise management, the government's functions in administering the economy are changing, the enterprises have had greater operating authority, commodity production will continue to develop, and the old pattern of the planned economic system will also be changed. This means that a whole series of profound changes will take place in both macro- and microeconomic activities.

The Shanghai Economic Zone, which covers Shanghai and four provinces, will play a significant role in our nation's four modernizations. While the zone's prosperity depends on the hard work of the people in Shanghai and the four provinces, it also has everything to do with the support from other provinces and municipalities. Although the four provinces and Shanghai are different in terms of their kinds of trades and occupations as well as in terms of scale, speed, and achievements in their economic development, generally their superiorities are nevertheless more prominent than in other provinces and municipalities in the country, and their conditions for faster economic development are more pronounced than in other areas. Their industrial foundation, such as light industry, textile industry, petrochemical industry, machinery industry, metallurgical industry, and so forth, is quite strong. The commodity economy is relatively developed in urban and rural areas. They also have important energy resources and other raw and semifinished materials, many commercial ports, ample intellectuals resources, a large number of scientists and technicians, and sources of information.

As part of the Shanghai Economic Zone, Shanghai is the nation's largest economic center. This is the result of historical and natural development over an extended period of time.

Now the State Council has decided to expand the scope of the Shanghai Economic Zone with Shanghai as the center. This is a step taken to give full scope to the role of Shanghai as an economic center. To make greater contributions to the nation, Shanghai should first make more contributions to the development of other parts of the economic zone. Shanghai is therefore obligated to serve the four provinces and the cities in these provinces in a still more positive way. Of course, the other four provinces also have their own strong points. One important reason why Shanghai has become an economic center is because it has had the energetic support from all other provinces, municipalities, and autonomous regions, including the four provinces. For this reason, the services between Shanghai and all other provinces is a matter of reciprocity. Under the principle of mutual benefit and common development, and as long as Shanghai and four provinces are willing to open their doors to one another, serve and support one another, promote lateral economic ties within the economic zone, encourage rational flow of capital, equipment, technology, and personnel within the zone, and develop all types of economic and technical cooperation projects, cosponsor various types of economic undertaking and rationalize their economic operation and zonal development, modernization of the economic zone certainly will be significantly expedited, and the zone certainly will make still greater contributions to the nation's four modernizations.

#### SHANGHAI SPECIAL POLICIES ON FOREIGN INVESTMENT

HK270423 Beijing RENMIN RIBAO in Chinese 21 Dec 84 p 2

["Report by reporter Guo Weicheng: "Shanghai Adopts Special Policies Towards Foreign Capital and Businessmen To Speed Up the Pace of Opening to the Outside World"]

[Text] Shanghai Municipality is adopting special policies towards foreign capital and businessmen, which are similar to those in the special economic zones, so as to speed up the pace of opening to the outside world.

These special policies include: In establishing productive joint-venture enterprises in Shanghai which are jointly owned and operated by Chinese and foreign capital or completely owned foreign businessmen, as long as these enterprises are projects which require high concentration of technology and knowledge or require foreign investment exceeding \$30 million, their enterprise income tax can, with permission, be reduced to a rate of 15 percent. Production and management equipment and construction equipment and materials imported by the abovementioned enterprises as investment, raw and processed materials, components, and spare parts imported for the production of export products, vehicles for private use, and items for office and daily use, are exempted from duty as well as from industrial and commercial unified tax. The exports of these enterprises (excluding those export products restricted by state regulations) are exempted from export duties as well as from industrial and commercial unified tax in the industrial link.

In addition, so long as foreign businessmen have provided these enterprises with advanced technology, techniques, and equipment and their products can meet the needs of the domestic market, or can replace products imported from abroad, such enterprises are allowed to sell in the domestic market to a certain proportion, as well as to quote prices and settle accounts in foreign currencies and with reference to pricing in the international market. The net profits of foreign capital in the enterprises can be all remitted abroad; and the salaries of foreign employees can also all be remitted abroad, except for their expenses in China.

The Shanghai Municipal People's Government has decided to give the joint-venture enterprises and enterprises of foreign capital the right to select, and employ staff as well as the rights to dismiss, discharge, and fire them. The salary scales and forms of the staff of the joint-venture enterprises as well as their rewards and allowances will all be decided by boards of directors.

Up to the end of November, Shanghai had already approved the establishment of 20 enterprises jointly owned and operated by Chinese and foreign capital. At present, the total number of enterprises are jointly owned and operated by Chinese and foreign capitals or solely owned by foreign businessmen has reached 60, involving a total foreign capital of \$640 million.

#### CHEN GUODONG ATTENDS SHANGHAI AWARD MEETING

OW012219 Shanghai City Service in Mandarin 2300 GMT 29 Dec 84

[Excerpts] A meeting to present awards to outstanding works and performances of 1984 sponsored by the Shanghai Municipal Culture Bureau was held at the Shanghai Exhibition Hall on the afternoon of 29 December.

Chen Guodong, first secretary of the Shanghai Municipal CPC Committee, attended the meeting.

Hu Lijiao, second secretary of the municipal CPC Committee, congratulated award recipients on behalf of the municipal CPC Committee. He urged middle-aged and young literary and art workers to foster lofty aspirations and great ideas and catch up with and surpass the artists of the older generation as soon as possible. He also hoped that CPC committee at all levels and society as a whole would show concern for and assist in the cultivation of artists.

#### WANG FANG ATTENDS ZHEJIANG PLANNING MEETING

OW012121 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 29 Dec 84

[Text] The 10-day provincial economic planning work meeting ended today. The meeting decided the principles and tasks of the economic planning work for 1985.

Leaders of the provincial CPC Committee and the provincial government Wang Fang, Xue Ju, Chen Fawen, Li Debao, Shen Zulun, and Xu Qichao attended the meeting or heard reports by comrades from various localities of the province.

The meeting pointed out: Next year is the last year of the Sixth Five-Year Plan. It is also the first year of the overall reform of the economic structure with focus on the urban economy. We must concentrate on implementing the strategic principle of promoting technical transformation through reform and adopting an open policy to promote development put forward by the provincial CPC Committee. The good situation in 1984 is mainly brought about by reform. We must foster the idea that reform is vital to our subsistence and the key link of reform is to add vigor to enterprises.

The meeting stressed: in reforming the economic planning system, all power that should be delegated to the enterprises must be delegated to them. We should not go round and round, merely transferring administrative power among the province, cities, counties, departments, and bureaus. It is necessary to really give enterprises a free hand in production and operation to enhance their economic efficiency. Leading comrades must keep in touch with several enterprises and gain reform experience in the spirit of dealing with concrete matters in order to promote reform step by step.



GUANGDONG'S WANG ON PARTY MEMBER REREGISTRATION

HK310623 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 31 Dec 84

[Text] According to NANFANG RIBAO, on the morning of 29 December, provincial CPC Committee Secretary Wang Ning stressed at a meeting of responsible persons of party rectification guidance groups and directors of rectification offices in the 10 divisions of the provincial organs: The first and second groups of units of the provincial organs carrying out party rectification must do a serious and earnest job of organizational measures and party member reregistration, and make a success of rectification from beginning to end.

Comrade Wang Ning stressed: Organizational measures and party member reregistration are an important step in fulfilling the task of party rectification and organizationally consolidating and developing its fruits. In accordance with the demands of the Central Commission for Guiding Party Rectification, during this phase it is necessary to carry out education in the criteria for party members and in party discipline, and deal severely with party members who have violated the party's discipline and harmed its interests. It is essential to do a thoroughly good job in party member reregistration and, by this means, reach the goal of maintaining the purity and advanced nature of the party organizations, and further enhance the ideological and political qualities and the sense of organization and discipline of the party members.

Comrade Wang Ning pointed out: Some comrades view party member reregistration as a simple procedure, perhaps because they themselves had no problems in reregistering, and thus fail to attach importance to summation and raising of standards. Some, seeing the great amount of work at the year's end, want to finish party rectification in haste and switch to professional work. These ideas are incorrect. They are obstacles to making a success of organizational measures and reregistration, and must be eliminated.

Comrade Wang Ning said: It is necessary to strengthen leadership over the practical work of party rectification, provide careful guidance, and avoid doing the work in a superficial way. It is necessary to seriously make up for the missed lessons regarding problems that were not solved well enough in the past, in conjunction with organizational measures and reregistration. In particular it is necessary to criticize and educate people who have obviously used power for private purposes but have failed to conduct self-examination.

GUANGDONG MAN SENTENCED TO DEATH IN EXPLOSION

HK011142 Beijing CHINA DAILY in English 1 Jan 85 p 1

[Text] A young man convicted of causing an explosion at Guangzhou Railway Station has been sentenced to death, YANGCHENG WANBAO reports. Xie Yunsong, aged 22, made money from trading in smuggled goods after having been fired from a zinc products factory at Liuzhou City in Guangxi for habitual absence. He had been seized by policemen for his illegal trade, fined, and his goods confiscated, shortly before the blast, which was caused by a bag of explosives. There were no casualties from the blast, which occurred last September, but some limited damage was caused to the station's ticket office.

HENAN MEETING ON RURAL ECONOMIC, SOCIAL SURVEY

HK030558 Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 2 Jan 85

[Excerpt] From 25 to 29 December 1984 in Zhengzhou, the provincial CPC Committee held a provincial work meeting on the social and economic survey of the rural areas. Liu Zhengwei, deputy secretary of the provincial CPC Committee, spoke at the meeting.

Comrade Liu Zhengwei said: The province's rural areas have currently reached a new phase of development.

It is our major task to change from a self-sufficient and semi-self-sufficient economy to a market economy and commodity economy, to readjust well the industrial structure, and to ensure that the living standards of peasants will be improved more quickly. This rural social and economic survey is carried out expressly to aid in this. The survey is of both strategic and pressing significance.

The meeting held that the guiding ideology of this survey, as well as methods used, seek to uphold the spirit of seeking truth from facts and to do everything in connection with actual conditions. By adopting the attitude of seeking truth from facts, we must collect and report information on the actual social and economic situation of the rural areas. We should accurately reflect the needs and wishes of peasants, thereby providing reliable, and valuable data to use as a guide, as well as concepts and suggestions for collect reasoning and making judgements and decisions. If we stick to old conventions in our thinking, neglect objective facts but stress subjective thinking, or even practice fraud in our work, not only shall we undermine the role of the survey, but it will become difficult to distinguish truth from fiction, thereby adversely affecting the great cause of the country. In order to seek truth from facts, we must first go down to the level of the masses and carry out arduous and painstaking tasks. We should make friends and hold heart-to-heart talks with peasants, so as to dispel their worries and allow them to take us into their confidence. Only thus can we get actual, first-hand data.

Second, we should collect the data in a comprehensive way. We should objectively analyze and examine it, and then affirm or negate it on solid grounds.

Third, we should maintain a farsighted view and allow for unforeseen circumstances when planning. We should grasp the present situation and plan for future development, and we should pay attention to studying both positive and negative data.

#### HUBEI ISSUES REGULATIONS ON HELPING POOR AREAS

HK010538 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 29 Dec 84

[Text] The provincial CPC Committee and government issued serveral regulations today on implementing the circular of the CPC Central Committee and State Council on helping poor areas to achieve transformation as quickly as possible. The regulations are divided into three parts: 1) the criterion and scope of poor areas; 2) the concrete measures for helping poor areas to achieve transformation as quickly as possible; 3) strengthening the party's leadership in a down-to-earth manner.

In regard to the criterion and scope of poor areas, the regulations stipulate that the poor areas in our province mean those mountainous areas, minority nationality areas, old revolutionary base areas, and the areas inundated by reservoirs where people have not yet eradicated poverty and do not have enough food to eat. The criteria to identify these areas are: Using a township as a base unit and based on the average 1981, 1982, and 1983 total annual income, those townships and villages in which the per capita net income, including the income from household sideline production and after the deduction of various production fees, reservations, and taxes, is less than 120 yuan should be classified as poor townships and villages.

In order to help poor areas to achieve transformation as soon as possible, the provincial CPC Committee and government raised 10 specific measures in the regulations:

1. More decisionmaking power should be given to peasants in their production and business operations. On the premise of upholding the public ownership of land, people may carry out individual business operations if appropriate and may carry out combined business operations of their own accord.

In accordance with state law and reasonable use of the country's natural resources, people may grow whatever is suitable and may carry out any kind of business operations they wish. The contract periods for arable land, mountain forests, water surfaces, and grassland must be further extended in accordance with the spirit of the circular of the central leadership and be carried out in every peasant household and every combined business operation.

2. Taxes should be reduced. No agriculture tax or individual tax will be levied for 3 years, beginning in 1985; in poorest areas the period is 5 years. The income tax for town and township enterprises, peasants' combined enterprises, household industries, and individual traders should be reduced according to concrete situations. No butchery tax should be levied on the peasants who butcher domestic animals. Half of the normal road maintenance fee and transportation management fee should be levied on special peasant households engaged in transportation. Forestry farmers need not pay forest cultivation funds when selling their timber. No wire broadcasting maintenance fees should be levied on peasants. It is not permissible to charge peasants family planning fees.

3. Policies on purchases and sales should be relaxed. No quota will be set for state-monopolized purchases of grain, cotton, and oil. If peasants have surplus grain, cotton, and oil and request that state purchase them, the departments concerned should purchase them at the prices stipulated by the state. No quota will be set for the purchase of timber which is distributed in a unified way. Barriers and obstacles should be removed and the timber market should be opened. Peasants may process and sell timber of their own accord and exchange timber for grain and other goods. The state will not set quotas for the purchase of other agricultural, sideline, native, and local products, and these products can be bought and sold freely.

4. Some goods for daily use should reasonably be sold on credit. It is permissible to sell on credit a certain amount of cloth, cotton fiber, clothes, and mosquito netting to poor households in which the per capita income is less than 120 yuan.

5. There should be determination to transform steep and precipitous arable land and [word indistinct]. The steep arable land not in use can be assigned to peasants as private plots. The peasants concerned then have the right to handle the land according to their own needs. If the per capita grain ration and that of other natural goods is less than 400 jin after making preparations for plowing and sowing, the state should supply peasants with grain and other natural goods at reasonable prices to make up the deficit. The price difference should be paid through the state's financial subsidies.

6. Water surface and mineral resources should be vigorously exploited. The province should raise some 100 million yuan annually, to include loans granted by banks and funds raised by construction units themselves, in order to develop small hydropower stations. These funds should primarily be used to aid poor mountainous areas. In exploiting mineral resources, it is necessary to achieve simultaneous development of the state, collectives, and individuals. If it is suitable for peasants to exploit mineral resources; it is necessary to give a free hand to them in developing the exploitation on a household basis or in combined operations of their own accord.

7. The building of highways should be speeded up. We should strive to build some 5,800 kilometers of highways and improve another 5,500 kilometers in 3 years by using the method of people building the highways with financial aid from the state, so as to achieve the target of every township being accessible to vehicles. Unified arrangements should be made by provincial departments concerned in the building plans, material aid, and funding and should be carried out year by year.

8. The production and life of the people in reservoir areas should be properly handled. In the areas inundated by reservoirs in the province, about 800,000 people are now living poor lives. Effective measures should be taken to help them develop production and get rid of poverty as quickly as possible. Large and medium reservoirs must donate some electricity fees and water fees as funds for building reservoir areas. The funds should solely be used to help people in reservoir areas to develop production. Allowing for some stipulations by the state, the proportion of the funds should generally not be less than 10 percent of the total income. It is necessary to make full use of reservoirs to breed aquatic life. Some reservoirs can be contracted for by collectives and individuals to develop fishery. Large and medium reservoirs may be operated in cooperation with local masses.

9. Education should be vigorously developed and the cultivation of talented people suitable to the exploitation of poor areas should be speeded up. It is necessary to make primary education universal and exempt primary schoolpupils in poor villages from tuition fees. The exempted tuition fees should be paid by the state through its financial subsidies. While grasping general education, it is necessary to develop well various secondary and vocational schools. The period for the several funds subsidized by the province to these areas for developing vocational education should be extended to 1987. It is necessary to encourage university and secondary technical school graduates to work in poor areas. The students trained for special purposes should be assigned to their original places and units.

10. Large and medium cities should give poor areas more support geared to the latter's needs. Wuhan City and Shashi City should mainly support Exi Autonomous Prefecture, Xianning Prefecture, Dawu County, and Yingshan County. Yichang City should support Yichang Prefecture. Shiyan City should support Yungang Prefecture. Huangshi City and Ezhou City should support Huanggang Prefecture. Three counties in Xiangfan Prefecture should resolve the problem themselves.

In regard to strengthening the party's leadership in a down-to-earth manner, the regulations of the provincial CPC Committee and government on implementing the circular of the CPC Central Committee and State Council on helping poor areas to achieve transformation as quickly as possible state that the province will establish a leading group for the work in poor areas. The relevant departments in the organs directly under the provincial authorities, in accordance with the spirit of the circular of the central leadership and the requirements of the provincial CPC Committee and government, must implement concrete measures for helping poor areas to change their backward situation. All units must formulate concrete plans to help poor areas resolve practical difficulties. The establishment of party and government administrative organs in remote mountainous areas and minority nationality areas should meet local needs. It is not necessary to pay special attention to the uniformity of organs at different levels. As living and working conditions in poor areas are currently bad, the treatment of cadres in their daily life should gradually be improved. Various funds given by the state to help poor areas should be well controlled and properly used. They should mainly be used to develop special and native products in agriculture, forestry, and animal husbandry according to local conditions, to develop enterprises of an exploitation nature, to increase intellectual investment, and to upgrade the level of productive forces in poor areas. It is necessary to correct the idea of putting aid above everything. It is absolutely impermissible to use the aid for other purposes.



The provincial CPC Committee and government hope that the cadres at all levels and the broad masses in poor areas will enhance their vigor, have confidence in themselves in winning victories, fight heroically, and become rich as quickly as possible.

GUAN ON DEVELOPING HUBEI TOWNSHIP ENTERPRISES

HK020227 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 1 Jan 85

[Excerpt] The provincial CPC committee has decided to treat the development of township and town enterprises as a strategic and major task in 1985. Output value of these enterprises should exceed 10 billion yuan, and there should also be great changes and improvements in enterprise quality, relations between urban and rural areas, and economic results. This was stated by provincial CPC Committee Secretary Guan Guangfu yesterday afternoon at a provincial forum on work concerning township and town enterprises.

Comrade Guan Guangfu said: The provincial CPC Committee decision to treat the development of township and town enterprises as a strategic and major task in 1985 was certainly not reached in 1 or 2 days; it is a policy decision taken after prolonged investigation, study, discussion, and consideration in conjunction with the province's realities. He said: With the development of township and town enterprises, the problems of rural production mix, division of work and trades, labor climate, ties between urban and rural areas, and construction of small towns can also be solved. At present, apart from continuing to get a good grasp of the existing township and town enterprises, we must give free rein to setting up enterprises run by households or combinations, and have millions of households engaged in running industry.

Comrade Guan Guangfu stressed: The urban industries must vigorously diffuse the production of some of their products among the township and town enterprises. He said: Whether the urban industries dare and want to do this is a problem in guiding ideology that must be solved in 1985. If the urban enterprises diffuse among the township and town enterprises the production of certain large-item products, a specialized and socialized enterprise entity can be formed, headed by the cities or by these products, and the cities can then concentrate efforts on advanced technology and the production of brand and fine-quality products. Qian Yunlu, deputy secretary of the provincial CPC Committee, and Guo Zhengian, vice governor, also attended the forum.

HEBEI MEETING REVIEWS URBAN STRUCTURAL REFORM

HK290607 Shijiazhuang Hebei Provincial Service in Mandarin 0430 GMT 19 Dec 84

[Text] From 14 to 18 December, the Hebei Provincial People's Government held a provincial report forum in Shijiazhuang on the reform of urban economic structure, to sum up and exchange the situation in all the prefectures and cities and to popularize the experience of Shijiazhuang in its comprehensive reforms of "pushing and reflecting." The meeting pointed out that the province should accelerate the reform pace of the urban economic structure next year and develop it still deeper and broader in the direction of comprehensive coordination.

During the forum, Zhang Shuguang, secretary of the provincial CPC Committee and governor of the province, attended and listened to the reports. Li Feng, member of the Standing Committee of the provincial CPC Committee and vice governor, made a speech at the end of the forum. After summing up this year's main experiences and situation in the reform of economic structure of the province, Comrade Li Feng pointed out that the key to reform lies in whether the minds of those in the leading bodies are emancipated or not, and whether rigid frames and set concepts are broken or not. In the reform, it is necessary to grasp the essence which is to simplify administration and delegate powers and invigorate enterprises, and truly delegate to the enterprises the powers which should be delegated to them. It is also necessary to proceed from reality, to progress in a steady way, to stress practical results and not just pay lip service.

Comrade Li Feng also said that at present, the situation in the reform of urban economic structure is good, but the reform is still in infancy and is only being carried out in an isolated and sporadic way, so we should not overestimate the achievements of the reform. The main problem now is that the reform work is not progressing evenly. On behalf of the provincial CPC Committee and government, Comrade Li Feng proposed five suggestions on how to do well in next year's reform work:

1. Strictly grasp the essence -- invigorating the enterprises -- and let the enterprises really have decisionmaking powers in their management and become economic bodies that assume sole responsibility for their own profits and losses. We must further implement and perfect the various economic responsibility systems centering on contracted responsibilities and solve the problem of the employees eating from the same big pot of the enterprise; we must **also distribute** different amounts of bonuses and salaries according to the differences between mental and manual labor, the different responsibilities, the different contributions, and the different performances so as to punish the lazy, reward the diligent, and also encourage the less advanced. It is necessary to carry out the director responsibility system and run the factories by relying on the directors, chief engineers, chief economists, and chief accountants. It is also necessary to pay attention to the enterprises' technical innovation, the renewal of equipment, and the introduction of advanced technology, in order to continuously develop new productive forces. Special attention must be paid to invigorating big enterprises.

2. Carry out the separation between government and enterprise functions. The government organs must actively implement four changes: In management content, it is necessary to change from direct control over the production supply and sales of the enterprises to planning, guidance, coordination, service, and supervision. In management styles and methods, it is necessary to change from the past mandatory planning and unified distribution of materials and capital to economic methods that guide and regulate the economic activities of the enterprises. In organization, professional departments should tend to be comprehensively coordinated and amalgamated. Organs should be reduced and personnel should be better.

3. It is necessary to further reform the system of commodity circulation and really establish the open system of commodity circulation, dominated by state operations, with various economic forms and business ways and through various channels with fewer links, thus forming criss-cross networks of commodity circulation between the urban and rural areas and in all directions. The commerce units should implement the separation of government from the enterprises, reform the wholesale structure and establish trading centers. Small-scale state retail commerce should carry out business based on state ownership and collective management, business based on collective ownership, and rented business. Small restaurants and repair shops and so on had best be changed to business under collective ownership and rented business and be managed according to collective and individual business methods. Peasants should be encouraged to enter the circulation field and to get involved in exchanging commodities, processing agricultural and sideline products, and running communications and transportation. Supply and marketing units should vigorously expand their business and service areas and strengthen serial service, so as to become comprehensive service centers in the rural economy.

4. It is necessary to bring the central role of the cities into full play to push forward the economic development in the urban and rural areas so that the urban areas will become open economic networks. It is also necessary to open various markets and establish trading centers, and welcome workers, peasants and merchants to come to sell their products and buy commodities, so that commodities can keep coming and going. It is necessary to further bring the central role of cities in science and technology and the urban financial organs' functions into fully play, to supply technology and capital to rural cultivation, breeding, and animal husbandry and to the town and township enterprises so as to provide the best investment environment and social service for the development of the enterprises.

5. The comrades of party committees and government departments at various levels should learn from the leading comrades in Shijiazhuang City, emancipate their minds and go deep into reality to study, research and personally take part in the practice of reform, to enthusiastically support the innovative spirit of the masses, and also to conscientiously sum up the fresh experiences so as to smoothly direct the progress of reform work in a down-to-earth manner.

#### ZHOU HUI ADDRESSES NEI MONGGOL JOURNALISTS

SK020618 Hohot Nei Monggol Regional Service in Mandarin 1100 GMT 31 Dec 84

[Text] In his 29 December speech at the meeting of reporters from the Nei Monggol People's Broadcast Station and journalism cadres, Zhou Hui, secretary of the autonomous regional CPC Committee, pointed out: In the upcoming new year, journalists should make efforts to study, carry out intensive investigations, emancipate their minds, and pioneer the road of advance, and should make continuous efforts to develop the excellent situation prevailing in the region.

In his speech, Comrade Zhou Hui first expressed greetings on the occasion of the New Year. He stated: The year 1984 is unusual with world-famous big events, such as the convocation of the 3d Plenary Session of the 12th CPC Central Committee, the promulgation of the decision of the CPC Central Committee in regard to conducting reforms among economic systems, and the joint declaration of issues on Hong Kong issued by the central authorities taking place. The situation prevailing both in the country and in the region is excellent. The successful convocation of the fourth regional party congress held not long ago is a vivid epitome of the foundation of the regional party history, the tremendous achievements scored by the region in the period since the 3d Plenary Session of the 11th CPC Central Committee, and of the mental outlook of the broad masses of party members and cadres throughout the region.

Judging from the congress, the ideological trend of the broad masses of party members, cadres, and the people of various nationalities throughout the region has reached a new height. Their state of mind has undergone a fundamental change. Such an excellent situation is the outcome of successful integration by the regional CPC Committee of the line, principles, and policies set forth in the period since the 3d Plenary Session of the 11th CPC Central Committee with the regional reality and of the all-out struggle efforts of the broad masses of party members throughout the region. In this connection, comrades on the journalistic front have also played an important role. They have made contributions to actively implementing the line, principles, and policies of the CPC Central Committee and the plans of the regional CPC Committee, and to actively developing the excellent situation. Along with their contributions, comrades on the journalistic front have also steadily upgraded their ideological and political quality and have made steady progress in this regard.

Comrade Zhou Hui stated: Journalistic work is an important undertaking of the party and is very important. Our reporters and editors are the servants of the party and the people and their post is glorious. Although comrades did not carry out their tasks thoroughly in the past, they should not stagnate in the face of progress and achievements as a whole in serving the party and the people. Along with the steady development of objective things, they will lag behind if they stagnate in ideology. Therefore, to catch up with the progress of the times, we should display the spirit of staunchly forging ahead, going all-out to make us strong, and always making tireless efforts.

Comrade Zhou Hui pointed out: In being good servants of the party and the people, journalists should uphold the principle of study on the one hand and delve into reality on the other hand. They should not only thoroughly understand and master the higher-level things, including the CPC Central Committee line, principles, and policies, but also should know well the people's happiness, anger, and sorrow at the grassroots levels so as to grasp the masses' ideological trend in a timely manner and to act with them in a concerted step. Only by knowing their journalistic orientation well as a result of their professional work and keeping in mind the whole situation can journalists carry out their work satisfactorily. Our general task and target at present and for a considerably long time are to quadruple the annual industrial and agricultural output value plans in order to achieve the four modernizations and to build a socialism reflecting Chinese characteristics.

Comrade Zhou Hui stated: Where there are people who engage in production for living, there will be developments and news requiring us to investigate, study, and to publicize on merit. Journalists who do not study Marxism and the party's principles and policies and do not delve into reality and share a common fate with the masses cannot write a news report well.

Comrade Zhou Hui stated: Judging from the experience of the past 30 some years, all news reports should pave the way for developing productive forces. Efforts should be made to bring into play all contributing factors and to pioneer a broad road of advance on which public ownership plays a guiding role, various forms of diversified economy exist simultaneously, and the open-door policy is enforced to enliven the domestic economy. We will certainly be able to enliven the economy so long as we continue to enforce the open-door policy. In the course of enforcing this policy, we will inevitably encounter unhealthy or disguised things that may be domestic or foreign. As for these things, we should be sober-minded and pay great attention to them. However, at present, the influence of the leftist line, the small-scale peasant economy, the remnants of feudalism, and of rightist habits is relatively seriously prevalent and somewhat serious. As for this influence, we should [words indistinct].



He urged comrades attending the party to make unswerving efforts to study, to delve into reality, to continuously emancipate their minds, to boldly conduct exploration, and to blaze a trail of progress so as to write more and better news reports that will be loved by the people, to fully publicize new developments and experiences gained by the people in conducting reforms in an all-around way, and to make new contributions to developing the excellent situation prevailing in the region. He hoped that more comrades will come out as outstanding journalistic fighters with high aspirations and who are ambitious.

#### SHANXI STATION ON TRANSFORMING AGRICULTURE

HK030237 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 2 Jan 85

[Station commentary: "Readjust the Agricultural Production Mix and Speed Up the Enrichment of the Peasants"]

[Excerpts] Following the turn for the better in the grain situation and the development of rural commodity production, the rural areas of Shanxi are facing the central task of the second reform after fully popularizing the contract responsibility system linking payment to output: to break down traditional patterns and readjust the rural production mix. This mix is now changing to a decline in crop cultivation and an increase in the sectors of forestry, animal husbandry, industry, sideline occupations, and fisheries. Dismantling of the traditional single-product structure has already started, and an encouraging situation has emerged.

As when all kinds of obstacles were encountered when the rural reforms began, the readjustment of the rural production mix will also encounter some obstacles. The main one is that certain comrades have not sufficiently emancipated their minds and cannot shake off the shackles of traditional concepts. Some cadres, accustomed to being agricultural secretaries, always think that grasping agriculture simply means grasping grain. These comrades have not yet truly understood the law of developing rural economy, that there is no stability without agriculture, no enrichment without industry, and no liveliness without commerce. It is very important that these comrades quickly discard their old ideas of leading agricultural production, change their old work methods and procedures, and develop new leadership and work methods.

An important task facing us now is, on the basis of not relaxing grain production, to arrange a rational cropping mix of grain and industrial crops, increase the proportion of forestry, animal husbandry, and fisheries within agriculture, and form a rational, benign cycle. We must in particular vigorously develop rural processing trades, mineral extraction, transportation, construction, building materials industry, commerce, and tertiary industry, which represent a whole series of nonagricultural production undertakings, to ensure all-round coordinated development of the rural economy.

Readjusting the rural production mix is a rather complex and protracted task involving many aspects of developing the rural commodity economy. We must continually explore new situations, solve new problems, and promote the smooth progress of the second rural reform.

LI LIAN ADDRESSES HEILONGJIANG CHAIRMEN'S FORUM

SK310537 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 29 Dec 84

[Excerpts] After a 4-day session, the forum of chairmen of the people's congresses at city and county levels throughout Heilongjiang Province concluded on 29 December. Comrades attending the forum summed up and exchanged their experience gained in implementing the resolutions adopted at the 3d Plenary Session of the 12th CPC Central Committee and in bringing into play under the new situation the role of organs under the people's congress standing committees. They put forward the tasks of doing a good job in exercising the power imposed by the law on the people's congress standing committees by focusing on conducting reforms among economic systems and of striving to create a new situation in People's Congress work.

At the forum, 21 units delivered reports to introduce their experience gained in their work. Li Lian, secretary of the provincial CPC Committee, attended and addressed the forum. Zhao Dezun made a summing-up speech at the forum.

In his speech, Comrade Li Lian pointed out: The local people's congress standing committees at all levels are local organs that exercise the state power and assume important tasks for conducting reforms. Under the new situation, the key to bringing into play the role of the organs of state power lies in reporting the masses' opinions and demands in a timely manner to higher levels through the people's deputies, centralizing the masses' wisdom in dealing with major important issues, systemizing and making legitimate the successful experience gained in conducting reforms, and in strengthening supervisory work so as to promote or ensure the smooth progress of the drive of conducting reforms among economic systems. To this end, we should foster the sense of legal systems the country, and democracy and bring into full play under the party's leadership the role of the organs of state power. We should depend on democracy and legal systems in administering the state and organize the people to build up socialist new life.

In his speech, Li Lian urged the party organizations at all levels to strengthen their leadership over People's Congress work and to actively support the people congress standing committees to exercise their power in line with the law so as to fully play their role of the organs of state power. The party organizations at all levels, party member cadres, and all party members should earnestly implement the resolutions and decisions adopted by the people's congress standing committees.

In his summing-up speech, Zhao Dezun pointed out: Making a success in economic legislation by focusing on conducting reforms among economic systems is a most important and urgent task undertaken by the people's congress standing committees at all levels. In line with the practical needs of conducting reforms among economic systems throughout the province, we should accelerate the pace of economic legislation so as to enable the local economic regulations to better serve the drive of conducting reforms among economic systems.

Attending the forum were vice chairmen of the provincial People's Congress Standing Committee, including Chen Yuanzhi, Lu Guang, Wei Zhimin, Zhang Ruilin, Wang Jinling, Wang Zhaozhi, and Wang Jun; Wang Lianzheng, vice governor of the province; Zhang Li, president of the provincial Higher People's Court; Yu Jian, chief procurator of the provincial People's Procuratorate; and leading comrades concerned.

LI LIAN HEARS REPORT ON HEILONGJIANG CRIME CASES

SK290828 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 28 Dec 84

[Excerpt] Beian City held an open trial on 28 Dec to give death sentence according to law to Gu Yingjun, Sun Jianguo, Liu Qingcai, Zhang Shiyang, and Yao Bailong, principal criminals of a gang guilty of rape, hooliganism and larceny, and to sentence Luo Zhixiang and 42 other criminals to death with a period of reprieve, life imprisonment or specified imprisonment. The people in Beian City warmly praised the party and government organizations for eliminating major pests for them during the campaign of dealing blows to criminal offenses. Among these rapists, hooligans and thieves, most are the children of cadres. Some of these principal criminals are the children of the city leaders. Some of them ganged up to commit crimes, thus becoming a gang of evil force running wild in Beian City. The perpetrated outrages, and committed crimes independently or in groups even in broad daylight. From 1979 to July 1983, they committed rape, hooliganism and larceny on 180 occasions, thus seriously damaging the mental and physical health of women, disturbing public security, and incurring the wrath of the people.

Leaders of the provincial CPC Committee and the provincial People's Government have paid great attention to the exposition, cracking and handling of this case. After viewing a copy of data on this case, Zhao Dezun, chairman of the provincial People's Congress Standing Committee and secretary of the Political and Legal Commission of the provincial CPC Committee, immediately instructed a pertinent department to send a work group to Beian City. Under the unified leadership of the Heihe Prefectural and the Beian City CPC Committees this group helped the Beian City Political and Judicial Department conduct investigations.

Li Lian, secretary of the provincial CPC Committee, and Chen Lei, deputy secretary of the provincial CPC Committee and provincial governor, listened to the reports on many occasions made by the provincial work group and the Beian City CPC Committee concerning the investigation and trying of this case. They also made specific instructions, which read: All those who have violated the law should be punished according to law, and should never be shielded by the officials. Those leading cadres who have shielded their children's crimes should be punished according to party discipline and the state law.

HEILONGJIANG ADOPTS DECISION ON GOVERNMENT ORGANS

SK111423 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 29 Dec 84

[Excerpts] The provincial People's Government has adopted a decision on improving the leading systems of its organs and the setup of departments in charge of comprehensive economic work.

On 29 December, Hou Jie, deputy secretary of the provincial CPC Committee and vice governor of the province, read the decision at the meeting of cadres at or above the section level among the government organs.

After the improvement, the government organs will become a leading network in which units are unified and harmonious in upgrading work efficiency, after they have been simplified, and exercise command as they wish. Only in this way can they become leading organs that can better serve the grassroots-level units and enterprises and the program of developing production in order to enliven the economy. To this end, the decision puts forward the following demands:

1. The planning commission, the economic commission, and the agricultural and financial and trade offices under the general office of the provincial People's Government are merged into the commission on the planned economy, which is the comprehensive department under the provincial government's leadership in charge of the administration of the province's planned economy, and is also an organ in charge of advisory work for the provincial government and the provincial CPC Committee and in charge of supervision and inspection.

2. Establish a commission in charge of conducting economic and technical cooperation with outside areas and work departments in charge of economic and technical coordination with domestic or foreign enterprises and firms.
3. Establish a commission in charge of conducting reforms among economic systems, to be the major unit under the provincial government taking the lead in conducting reforms among economic systems, and to be responsible for synthesizing the situation, conducting investigations and studies, summing up experiences, and conducting planning and coordination in order to do a good job in being advisers to the provincial government and the provincial CPC Committee.
4. Dismantle the offices under the general office of the provincial government, which are in charge of comprehensive economic work, agricultural work, financial and trade work, cultural and educational work, the work of conducting reforms among sports affairs, and the work of conducting economic and technical coordination. The General Office of the provincial government will set up a subordinate office in charge of conducting investigations and studies, which will be the advisory organ to the provincial government.
5. Conduct reforms among leading systems and dismantle the leading groups in charge of the economy, finance and trade, agriculture, education, public health, and physical education and sports. A system of having governors in charge should be enforced.
6. Readjust and strengthen the consultative organs. The three economic institutes under the planning commission, the economic commission, and the financial and trade commission are merged into the economic research center of the provincial government.

Hou Jie stated: In implementing the decision on reforms, we may encounter new contradictions. However, we should not allow our determination in conducting reforms to waver, and should deal with problems by seeking experience gained in conducting reforms. Chen Lei, governor of the provincial People's Government, also attended and addressed the meeting.

#### HEILONGJIANG CHANGES ADMINISTRATIVE DIVISIONS

SK030348 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 2 Dec 84

[Text] The State Council has approved Qiqihar and Jiamusi Cities in our province to carry out the system of cities administering counties so as to better put their roles as key cities into better play. According to this instruction:

1. Nenjiang Prefecture is abolished and 11 counties, including Nehe, Baiquan, Longjiang, Yian, Keshan, Kedong, Gannan, Ailai, Fuyu, Lindian and Dorbod Mongol Autonomous County, are placed under the jurisdiction of Qiqihar City.
2. Hejiang Prefecture is abolished, and 13 counties, including Huanan, Jixian, Baoqing, Fujin, Yilan, Tangyuang, Huachuan, Luobei, Suibin, Raohe, Tongjian, Fuyuan and Boli, are put under the jurisdiction of Jiamusi City.

The integration of the above-mentioned prefectures and cities is already in progress.

#### LIAONING GOVERNOR SPEAKS TO PEOPLE'S CONGRESS

SK311315 Shenyang LIAONING RIBAO in Chinese 13 Dec 84 p 1

[Excerpts] Since the beginning of this year, our province has implemented a series of important policy decisions and measures of the CPC Central Committee and the State Council, thus accelerating reform and achieving outstanding results.



The above remarks were made by Governor Quan Shuren on 10 December in his report to the 11th Standing Committee meeting of the 6th provincial People's Congress. Comrade Quan Shuren cited achievements in the reform in the following seven fields:

First, the province has simplified administrative procedures and delegated power to enterprises, thus changing the overly-rigid control of planning, financial, monetary, supply, labor, and personnel departments over enterprises.

Second, the various forms of the economic contract responsibility system have been extensively applied to enterprises, and the principle of distribution according to work has been conscientiously implemented, thus beginning to break the two "common big pots" of the state and enterprises from which enterprises and staff and workers eat. Other system, such as the floating wage system, the system of subsidies appropriate to particular jobs and posts, and the system of contracts signed to fix the amount of wages for every unit of finished work, have also been implemented to arouse the initiative of enterprises and staff and workers.

Third, pilot enterprises have been selected to carry out the reform of leadership system.

Fourth, commercial departments have implemented the "open, multi-channel circulation system with fewer intermediate links," established trade centers in cities, combined the commercial stations at the second and third levels, merged commercial stations and companies, and exercised unified operation and management. A total of 26 trade centers of various forms have been established in the cities of the province, and 28 trade centers have been set up in 16 counties and towns.

Fifth, scientific research and design departments have instituted the system of "signing contracts with user organizations that list remunerations for the transfer of research findings" and the system of "signing contracts for internal research jobs," and changed the practice of eating from the "common big pot" of state establishments, thus enabling scientific and technical personnel to receive more pay for more work. The system of employment through open invitation has been applied to scientific and technical personnel, and rational flow of competent personnel allowed to boost the enthusiasm of the masses of scientific and technical workers.

Sixth, the work of opening to the outside world has been speeded up since the central authorities approved the opening of Dalian City to the outside world, and more power has also been delegated to various cities to use foreign capital and import technology.

Seventh, Shenyang, Dalian, and Dandong Cities and Haicheng, Xinbin, Faku, and Lingyuan Counties have been selected to try out comprehensive system reform.

Quan Shuren said: Through the reform of the economic structure, a vigorous situation unexperienced for many years has begun to appear in the province's entire economic activities. It is estimated that the province's industrial and agricultural output value may reach 68.4 billion yuan this year, a 9.3-percent increase over last year. In agricultural production, despite various natural calamities, including drought, low temperatures, hail storms, and floods, grain output may still exceed 28 billion hin this year, which marks the second year of a bumper crop in the history of our province. Industrial output value may reach 57 billion yuan, a 10 percent increase over last year. Revenue is expected to reach 7.1 billion yuan (excluding the taxes and profits of petroleum and metallurgical industrial enterprises which are handed over to higher authorities), more than 10 percent above last year. Thus a good situation in which revenue and industrial production grow abreast, which has not been seen for many years, has been created.

Investment realized for capital construction will be 29.5 percent greater than last year. A new situation in foreign capital utilization, technology importation, and cooperation with foreign countries has been opened up, and foreign capital use by the province has increased remarkably. The living standards of the people in urban and rural areas have been improved. It is expected that the total amount of wages for the province's staff workers and the per capita income of rural areas will increase by more than 10 and 17 percent, respectively, over figures for last year. New progress has also been achieved in scientific research, culture and education, public health, and other undertakings.

Comrade Quan Shuren held that the achievements in the province's economy have eloquently proved that only by reforming the elements of the economic structure that are incompatible with the development of productive forces can we enliven the economy, promote production, enrich the people, and realize prosperity of the country at an early date.

GANSU OFFICIAL ON ECONOMIC DEVELOPMENT PLANS

HK260340 Beijing CHINA DAILY in English 26 Dec 84 Gansu Supplement p 1

[By Gansu Vice Governor Huo Zhongbin]

[Text] Land-locked Gansu Province has a key role to play in the next two decades, when China is scheduled to shift its centre of economic development to the northwest.

Gansu, situated in the heartland of China, holds a strategic position both geographically and in economic potential, which makes it the natural centre of northwest China. Its advantages in rich mineral and energy resources and transportation facilities will enable it to achieve the goal of quadrupling its industrial and agricultural output by the end of this century -- the national target of China's modernization programme.

However, this is not to say that we do not have any difficulties. On the contrary, we still face such problems as the need to upgrade our technology and managerial ability, and shortages of funds and specialists. In a bid to tackle these problems and put Gansu's economy on a sound footing for future development, we have decided to concentrate our efforts on the following projects during the years to come.

-- First, we plan to develop commodity production on a large-scale, now that rural communities in the province have begun to change from a self-sufficient economy to a commodity economy.

Such a change symbolizes the significant transformation of traditional agriculture to a modernized rural economy. Farmers specializing in trade and industry now make up 11 percent of all the rural households in Gansu Province. However, they are hampered by both low productivity and limited marketing facilities. To help them overcome these problems is our job.

This job is linked to the task of diversifying Gansu's rural economy from its past concentration on grain production to animal husbandry, forestry and cash crops. This policy is necessitated by the geographical make-up of the province: hilly areas (30 percent), grassland (30 percent), desert (20 percent), forest (10 percent) and farmland (only 10 percent).

Therefore, we plan to develop a number of livestock, milk, fruit, lumber, medicinal herb and sugar crop producing centres in different parts of the province, according to their geographical and climatic conditions, while encouraging more farmers to stop simple grain production and turn to specialized industry. These farmers will be helped to develop livestock-raising, feed-processing and animal byproduct industries, and storage, shipping and marketing trades.

-- Next, we're bent on industrializing our rural towns and villages. Our rural industry produced only 430 million yuan in Gansu in 1983 -- a negligible sum compared with the national total of 93 billion yuan for the same year. The output value of our urban collectively-owned enterprises was also quite small -- 530 million yuan last year. This is incompatible with the rich resources of Gansu Province.

To make up for our past inadequacy in this sector, we have now decided to rally all elements -- State, collective and private -- to join efforts in industrializing small towns and villages in the province in the form of co-operation, partnership or household enterprises. We will also encourage collective investment or joint ventures with other provinces or other countries to develop rural industry.

All new town and rural enterprises will be exempted from taxation in the first year and then given certain tax immunities or reductions in following years if they still have economic difficulties.

We hope, through these measures, to boost the output value of our rural and small town industry to 1.6 billion in 1990 and then to 5.4 billion in the year 2000.

-- Thirdly, we will speed up development of the province's mineral resources. This is where Gansu possesses its biggest advantage. We favoured a closed-door policy in the past, which hampered effective development of our rich resources. From now on, however, we will keep our gates wide open to welcome foreign technology and investment in any possible form -- joint venture, independent venture, compensatory venture, project investment or, technological transfer.

Within the province, collective or private sources will be encouraged to participate in developing local hydropower and mining enterprises so that all potential reserves will be effectively exploited.

-- Our fourth target is the processing industry -- a major weak link in Gansu's economy. Until recently, most of Gansu's raw materials were shipped to other provinces for processing. But now when these provinces have set up their own supply centres, Gansu can and should develop its own processing industry and turn from a supplier of raw materials to an exporter of industrial products.

Our plan is to launch a simultaneous development of both the resources and the processing -- non-ferrous metals, petrolchemicals, wool, animal and farm products -- thereby turning our advantages in resources into advantages in industry and income.

-- Fifth comes the vital issue of distribution channels. The rugged terrain of Gansu hampers smooth commodity circulation in certain parts of the province. The overcoming of this handicap depends on the joint efforts of the State, collective and private enterprises, and the incentive of profitable business. In the cities a variety of trading centres and markets will be set up to promote commodity exchange, while in the countryside farmers will be encouraged to invest in their own commercial co-operatives, forming them into a province-wide network of commerce. These measures, combined with reform in the managerial setup of State-run commerce, will eventually change in the face of Gansu's urban and rural commodity exchange system.

-- Finally, it is our intention to revive the glorious tradition of the Silk Road in developing Gansu once again into a centre of international tourism.

Gansu has been known around the world for its historic heritage and cultural relics since the days of Marco Polo. The fantastic stone carvings in the Dunhuang Grottoes are hailed as "the Jewel of Oriental Arts." Also famous are the sculptures in the caves of Mount Maiji in Tianshui, the stone Buddhas of Bingling Temple in Yongjing, the Lamasery of Labule in Xiahe and the fabulous tower of Jiayuguan -- the terminus of the Great Wall. Other scenic wonders include Mount Wuquan (Five Fountains) and Mount Baita (White Pagoda) in Lanzhou, Mount Kuntong in Pingliang, Mount Lianfeng (Countless Peaks) in Weiyuan, the historic Stage for Martial Contest and the Stone Tablet of the Western Xia Kingdom in Wuwei. All these are big tourist attractions.

In July this year, Gansu formally declared itself open to foreign trade and investment by announcing 12 special policies at its first business forum in Beijing. Also made public was its first group of 60 projects proposed for negotiation with domestic or foreign investors. We have been engaged in business discussions with interested parties on the projects since then, and the prospect is encouraging.

Our policy of opening to the world is backed by our decision to allow foreign investors to participate in industrial, commercial, tourism, cultural, transportation or medical undertakings in a variety of forms. These include independent, joint venture and technological transfer. Investors will be given various forms of assistance and tax immunities to help them start business, while their income and profit will be guaranteed.



WANG ENMAO ATTENDS URUMQI YOUTH PAPER RECEPTION

HK030306 Beijing ZHONGGUO QINGNIAN BAO in Chinese 29 Dec 84 p 1

[Report: "Wang Enmao and Other Party, Government, and Army Leaders Attend New Year Reception Held by ZHONGGUO QINGNIAN BAO in Xinjiang"]

[Text] "The future of Xinjiang is full of promise. Young people mean both future and promise. Xinjiang places its hope on young people for its future." This remark was from Wang Enmao, first secretary of the Xinjiang Uygur Autonomous Regional CPC Committee, when attending the New Year reception held by ZHONGGUO QINGNIAN BAO in Urumqi City on 27 December.

At the reception Wang Enmao praised the youth league organizations for mobilizing the broad numbers of young people to develop the border areas and supporting the construction of Xinjiang under the guidance of the CPC. They have made lasting contributions to the development of the region. ZHONGGUO QINGNIAN BAO has also done much useful work in this respect. The priority of economic construction in the next century will be in the Great Northwest. Xinjiang has abundant natural resources. We hope more young people will come to Xinjiang and work together with the young people of all nationalities in Xinjiang to build and develop the promising border areas. We also hope ZHONGGUO QINGNIAN BAO will continue to make contributions in this regard.

The reception was presided over by She Shiguang, director of ZHONGGUO QINGNIAN BAO. In his speech he thanked the party, the government, the Army, the Production and Construction Corps, and other quarters concerned for their consistent care of and support for ZHONGGUO QINGNIAN BAO. He also praised the region for its ranking first throughout the country in distributing the newspaper (calculated in terms of average per-capita readership).

Also present at the reception were more than 60 people, including Xiao Guanfu, commander of the PLA Urumqi units; Tan Shanhe, political commissar of the units; Tomur Dawamat, secretary of the regional CPC Committee and chairman of the regional People's Congress Standing Committee; Janabil, secretary of the regional CPC Committee; Li Shoushan, member of the Standing Committee of the regional CPC Committee and first secretary of the Urumqi City CPC Committee; and Chen Shi, commander of the Xinjiang Production and Construction Corps.

WANG ENMAO AT INAUGURATION OF XINJIANG AIRLINE

OW021403 Beijing Domestic Service in Mandarin 1200 GMT 28 Dec 84

[Text] With the State Council's approval, Xinjiang Airlines was inaugurated in a ceremony held at the Urumqi International Airport today. Wang Enmao, first secretary of the Xinjiang Uygur Autonomous Region Party Committee, and (Lin Zheng), a leading member of the Civil Aviation Administration of China, attended and addressed the ceremony.

Xinjiang Airlines will formally begin its operation on 1 January 1985. In addition to direct flights from Urumqi to Beijing, Shanghai, and Xian, the airline will also inaugurate flights from Urumqi to Guangzhou and Chengdu. If necessary, it will also inaugurate international flights from Xinjiang to neighboring countries.

YANG DEZHI CITED ON PLANS TO REDUCE SIZE OF PLA

HK031040 Hong Kong Domestic Service in English 1000 GMT 3 Jan 85

[Text] The Chinese chief of defense staff, Gen Yang Dezhi, has announced plans to further reduce the size of the People's Liberation Army as part of economy measures. In an interview with the CHINA DAILY newspaper, General Yang said a large number of officers and men would be demobilized. More of the Army's manpower and resources would be made available to help in the expansion of the economy.

According to the London-based Institute of Strategic Studies, the total strength of the Army is 4 million. The general made clear that the Army would continue to pursue its modernization program, despite reductions in the defense budget over recent years. Last month the government announced the resignation of 40 senior Army officers to make way for younger men.

DENG ON FREE PORT POLICIES FOR XIAMEN ZONE

HK030730 Hong Kong HSIN WAN PAO in Chinese 3 Jan 85 p 1

["Special Dispatch": "Deng Xiaoping Proposes Instituting Certain Free Port Policies in Xiamen Special Economic Zone"]

[Text] Beijing, 3 Jan -- Deng Xiaoping has proposed that the Xiamen Special Economic Zone can institute certain free port policies. He has also proposed attracting Overseas Chinese investment to set up a university at Shenzhen.

The book "Build Socialism With Chinese Characteristics," which went on sale here on New Year's Day, includes remarks Deng Xiaoping made to senior Chinese leaders on 24 February on his return from Beijing from inspecting the three special economic zones of Shenzhen, Zhuhai, and Xiamen. The proposals are contained in these remarks, which are now openly published for the first time.

Deng Xiaoping said that the special zones are windows of technology, management, and knowledge, and also of external policy. Technology can be imported, knowledge acquired, and management learned through the special zones; management is also knowledge. Perhaps no money can be made from certain investment projects for the moment, but they are advantageous in the long run and we will benefit from them. There are at least two things that can now be done in Shenzhen: One is to build a nuclear power plant, and the other is to attract Overseas Chinese investment to set up a university. With Overseas Chinese running a university there, hiring highly qualified foreign professors, and purchasing teaching equipment from abroad, a number of talented people can be trained for us.

It was Deng Xiaoping's proposal that the whole of Xiamen Island be made into a special economic zone. He said that if the whole of Xiamen Island is made into a special economic zone, it can draw in some Overseas Chinese capital. Not only Overseas Chinese, but many foreigners too will come to invest, allowing the island to lead its surrounding area and serve it, thus enlivening economic activities throughout the whole of Fujian Province. Xiamen Special Economic Zone is not called a free port, but it can institute certain free port policies. There are international precedents for this. As long as there is free movement of capital in and out, foreign businessmen and Overseas Chinese will come to invest. I do not think this will fail. There are sure to be great benefits from it.

CHENG MING ON WORRIES ON IMPERMANENCE OF REFORM

HK311045 Hong Kong CHENG MING in Chinese No 87, 1 Jan 85 pp 6-8

["Notes on a Northern Journey" by Lo Ping: "Deng Xiaoping Works 2 Hours a Day"]

[Text] What People in Beijing Care About Most on the Eve of the New Year

As the year 1985 approaches, what is it that the people in Beijing care about most? This is an interesting question. Most readers who have come to Beijing in recent years will answer this question without hesitation: The majority of people no longer concern themselves with politics. This answer is not incorrect. But what is the nonpolitical thing which they care most about now? This question needs answering further.

Unexpectedly, during the last month of 1984, one of the things which people in Beijing cared most about was the Asian Cup football match held in Singapore. Every evening the television program which men and women, old and young watched was the football competition held in Singapore. The football competition was also the subject which people talked about most.

Last year the Chinese football team was defeated by the Kuwaiti team -- the year's champions. Many people in Beijing and evening papers in Beijing and Tianjin thought that the Chinese team would continue to exert efforts to beat the Saudi team, because it had once been a defeated opponent of the Chinese team. However, unexpectedly, the Chinese team was defeated by the Saudi team 0 to 2 in a match held on the evening of 16 December. Many people in Beijing rashly turned off their television sets before the match ended. They thought that the Chinese team would surely be defeated.

"The Whole Country Is Engaged in Business, and so Is the Whole of Beijing"

Some readers would probably say that just like other people on the mainland, what people in Beijing care about most is making money. Yes, the answer is right. Taking money as the be-all and end-all has become a common phenomenon. For example, just like other localities on the mainland, Beijing Municipality has also set up various kinds of companies. They are as numerous as the hairs on an ox. This can be called: "The whole country is engaged in business, and so is the whole of Beijing." Many retired veteran cadres are making use of their "remaining power," and have been invited by these companies to take various kinds of posts, such as adviser, chairman of the board, manager, and so on. However, this phenomenon came into being a long time ago. It is not a new thing which has happened in the last month of 1984.

What is interesting is that to curb the spread of such a trend, the CPC Central Committee and the State Council have issued circulars, strictly banning the establishment of national organizations which go beyond trades, departments, and regions. The establishment of such organizations should be examined by the leading sections concerned, and cases should be reported to the structural reform committee under the State Council for approval. With regard to those organizations which have been set up, re-examination is needed. They should again go through formalities for approval. The circulars also stipulate that leaders at all levels, cadres who have retreated to the second line, and retired veteran cadres are not allowed to take any leading posts or concurrent posts in these organizations. This is something new occurring at the end of 1984.

It Is Not a Trifling Matter To Give Up the Afternoon Nap

Another new thing which concerns people is that beginning 1 January 1985, the work schedule of government offices and state-run enterprises will be changed. Cadres and workers must give up their afternoon nap.

When this decision was relayed, a certain women teacher in a university yelled: "Why should we follow Hong Kong in this respect? What do the people there eat? What do the people here eat?" Of course, the leader later had a private talk with her.

Many people maintain that it is convenient to eat lunch in Hong Kong. However, in Beijing people have to line up for half an hour to get their lunch. After lunch, they do not even have time to go to the toilet. The Hong Kong movie "A Good Marriage Formed Because of a Happy Encounter in a Bus" reveals the busy life of Hong Kong people. The future life of the people in Beijing will also be portrayed in this way. Some other people hold that with regard to those who are working in government offices, they may leave the office earlier than originally scheduled in order to eat their lunch. It does not matter to them whether they take a 1-hour rest at noon or give up the habit. Those who feel most vexed are parents who used to go home at noon to prepare lunch for their children. If they do not go home, their children will have nothing to eat. But if they go home, they will be late getting back to work in the afternoon. This is the first difficult problem they face during the new year.

#### Lean Meat Is Still "Luxury Goods"

Buying lean meat is also a problem which people in Beijing should be concerned about. At present, when people in Beijing buy pork, they can only buy fat meat. It is difficult for them to buy lean meat. It is reported that the expansion of the raising of pigs producing lean meat has been very slow, and the purchase price of such pigs is irrational. The farmers can only get meager profits. No wonder some people in Beijing have a lot of complaints about the purchase departments.

In the last month of 1984 no pork coupons are needed to buy pork in Beijing. But residents should show their purchase booklets when buying pork. Why? It has been reported that the price of pork in other areas outside Beijing has been generally increased. Even in Hebei Province, which is next to Beijing, the price of pork has increased by several jiao per jin. Therefore, many people come to Beijing to buy pork because the price of pork in the city has not yet been increased. Another reason for this is that New Year's Day is approaching and the supply of pork in other areas outside Beijing is insufficient, or has even disappeared. Therefore, people come to Beijing to buy pork. If people are requested to show their purchase booklet when buying pork, the outflow of a large quantity of pork can be controlled.

People in Beijing pay more attention to eating meat. This shows that their living standard has been improved. Does this also mean that they are influenced by the idea of Hu Yaobang that people should change the composition of their diet?

#### Worries That the "Good Days" Will Not Last Long

Anyhow, this is a good thing. What people worry about now is not whether the happy life will come or not. What they worry about is that the "good days" will not last long. Why? People always think of the old problem. "When the revered Mr Deng dies, the present situation will not definitely be retained." The party newspapers have published a lot of articles on this issue in order to reassure the public. They say: "Don't be afraid. As long as the line, guiding principles, and policies are correct, and enjoy the support of the party and the people, nobody can change the present situation." However, people in general, including some Communist Party members and "democratic personages," still have misgivings about this. They say in private: "If people in the Army want to act rashly, what can we do?"

"Apart from people of these categories, will the faithful followers of Mao not revolt?"

"Are Hu and Zhao sufficiently capable of securing their positions?"



## Deng Xiaoping Assures the Public

These misgivings are not utterly groundless. However, people have also realized that in recent years, the implementation of the line of Deng and Hu has been organizationally ensured. Specifically speaking, in the cadre ranks and the Army, those cadres whom Deng and Hu regard as unreliable have been dismissed and replaced. Some others are being replaced. In the new leading bodies, many of the number one men are the followers of Hu Yaobang. Therefore, the problem of handing over supreme power is not as serious as it was several years ago. Of course, there are still people who oppose reform and feel dissatisfied with the open-door policy. It is impossible to completely set people's minds at rest. Recently, Deng Xiaoping talked again and again to the people inside and outside the party, saying that Hu and Zhao are good comrades, and that they have made great achievements in various work, especially in reform. After the 3d Plenary Session of the 12th CPC Central Committee, Deng Xiaoping delivered a long speech at a meeting of the Central Advisory Commission. Right at the beginning, he said: "I believe that our Central Committee is a mature Central Committee, because it can handle various kinds of problems more properly. Now foreign newspapers and periodicals say that I play a decisive role. I do play a certain role, but the main work is carried out by other comrades. I do suggest some ways and means, but the work of handling problems and fulfilling arduous tasks in an orderly way is carried out by those comrades who are doing practical work." "Those comrades" to whom Deng Xiaoping referred are Hu Yaobang, Zhao Ziyang, and others. Deng Xiaoping believes that the period since Hu and Zhao took over the work of the central leadership is one of the best periods in China. Deng Xiaoping's remarks are aimed at the "old guys" and those who worry about the future of China.

## Working 2 Hours a Day and the Activities Outside the 2 Hours

The above-quoted remarks of Deng Xiaoping are based on his actual situation. He is an old man of 80. Although he still looks energetic and is in good health, and has lofty aspirations (some people say that he is ambitious), the functioning of his brain and body have diminished because of the restrictions of natural laws. Swimming and doing qigong [a system of deep breathing exercises] cannot restore his youthful vigor. (It is unfortunate that Guo Lin, who taught big shots of the CPC qigong exercises in recent years, died not long ago). In addition, his blood pressure is a bit too high. Therefore, he cannot work like a young and healthy person. He only works 2 hours a day, and much work of the Central Committee is handled by Hu and Zhao.

How does Deng Xiaoping spend the time outside the 2 hours? He does not feel lonely. He exercises, plays chess, plays with his grandchildren, talks with other people.... His life is full of joy and interest. The more important work for him to do is to carry out inspections in various areas, to attend meetings, to ponder over many problems facing the CPC and the state, and to exchange views with his main political assistants. Therefore, the actual working time of Deng Xiaoping is more than 2 hours. In the past, there was some generation gap between this old guy and his children, ideological gaps in particular. Therefore, at the dinner table, they frequently argued over certain problems. However, from the problems reflected by his children, Deng got some useful information. Now most of the children are not at his side, except Deng Pufang. The atmosphere is not so lively.

## Doing Three Things in 2 Years

At his speech delivered at a meeting of the Central Advisory Commission, Deng admitted that he had suggested "some ways and means." This also tallies with facts. In a recent internal speech, Deng Xiaoping said that he had done three things over the past 2 years: 1) Putting forth the concept of "one country, two systems"; 2) putting forward the idea of opening up the 14 coastal cities to the outside world; 3) executing a number of people (promptly and severely cracking down upon criminal cases).

People believe that the revered Mr Deng has really done several good things for the Chinese people in his later years, the implementation of the open-door policy in particular. With the implementation of the policy, the feudal and locked door of China has been opened. The wider the door is open, the more lively the economy will become. Without the courage, resolution, and art of leadership of the revered Mr Deng, the Chinese people would have paid a high price in order to embark on this path.

With regard to the issue of "one country, two systems," and recovering Hong Kong, people do not talk much about it. Generally speaking, people think that the theory of "one country, two systems" is good. The key to the success of this concept lies in practice. Those who are deeply influenced by the "revolutionary tradition," and who are determined to "strive for communism for life" accept the entire policy and guiding principles for recovering Hong Kong. Although most cadres in general agree with the reunification of the country, they do not agree to the recovery of Hong Kong before 1997. Their reasons, considerations, and misgivings are exactly the same as those of the soberminded Hong Kong people. There is no need to explain the subject further in this article.

With regard to the issue of executing a number of people, people generally believe that current social order on the mainland has markedly improved. However, the price paid in this regard was too high. The handling of some cadres undermined the legal system. Family members of those who were wrongly killed have a lot of complaints about this. The way to handle the issue of social order is to strengthen the legal system rather than kill a great number of people.

#### A Serious Mistake of Deng Xiaoping

Over the past 2 years, great changes have taken place in the ideological sphere in mainland China. In other words, the stress has been shifted from opposing the "rightists" to opposing the "leftists."

In early 1981, when Deng Xiaoping talked with leading persons of the PLA General Political Department, he said: "The emancipation of the mind means that we should oppose both 'left' and right deviation." This set the tone for the direction of ideological and political work. Over the past few years, some party papers and magazines, as well as some big shots, repeated the tone again and again. In actual practice, they did not follow the tone. They said that they intended to combat the "left" deviation; actually they were not active in doing so. However, they were active enough to combat the "right" deviation. What is the so-called "right" deviation? It actually means "bourgeois liberalization," the "right ideological trend," "spiritual pollution," and so on. All these issues were put forth by Deng Xiaoping. Actually, are there so many "rightist" staff? These are groundless accusations and exaggerations. Due to the fact that efforts were only exerted to combat the "right" deviation, and that the "left" deviation was not opposed, the door was actually wide open for the spread of the leftist poison, so that the leftists, the leftist generals, the leftist ministers, and the leftist party secretaries could wantonly obstruct reform and impede the progress of various undertakings. This was Deng Xiaoping's serious mistake.

#### Shifting the Stress From Combating the "Right" Deviation to Opposing the "Left" Deviation

However, the situation has changed since the latter half of 1984. Due to the fact that "eliminating spiritual pollution" and "opposing spiritual pollution" have hurt intellectuals, Deng Xiaoping was compelled to examine his errors. He stressed that conscientious efforts must be exerted to combat the "left" deviation inside and outside the party. The specific measures taken are to dismiss those "leftist" officials. If the Voice of America had not broadcast the news of the "dismissal of Deng Liqun," Deng Liqun would have been dismissed from office. It would have been impossible for him to retain the undeserved post of director of the Propaganda Department of the CPC Central Committee.

Of course, the four people who are truly resolute and capable in combating the "left" deviation are Hu Yaobang, Zhao Ziyang, Wan Li, and Hu Qili. In particular, Hu Qili is resolute in opposing the campaign to "eliminate spiritual pollution." He has exerted great efforts in this respect. In July 1984, Hu Qili said in an unpublished report: "When Comrade Xiaoping put forth the issue of opposing spiritual pollution, he clearly explained the scope and the policy concerned. However, when a terrific uproar was made, things happened beyond our expectation."

#### The Resistance of Deng Liqun Ended in Failure

There was no doubt that Deng Liqun and his supporter Hu Qiaomu were responsible for "making the terrific uproar." Deng Liqun intended to resign from his post as director of the Propaganda Department. With the help of the Voice of America, he can temporarily retain the post. However, his actual power has been reduced. The leadership work in the field of propaganda is actually done by Hu Qili. Of course, Deng Liqun did not resign himself to defeat. In mid-September 1984, he held a forum on literature and art work in the name of the Propaganda Department of the CPC Central Committee. Under the pretext of combating the "right" deviation, he organized the leftists to launch a counterattack on reform. This plot was foiled by the reformists. Acting under orders of Deng and Hu, Hu Qili interfered in the meeting so that it changed its direction. At the beginning, the aim of the meeting was to combat the "right" deviation. Later, the slogan was not raised. At the end of the meeting, the stress was placed on combating the "left" deviation alone. In his summary report delivered at the meeting, Hu Qili cast aside the convention of "opposing both 'left' and 'right' deviation" in the literature and art field. After that, Hu Yaobang and others emphasized that "main efforts on the literature and art front must be exerted to eliminate the influence of the 'leftist' ideology." After the news spread, people in the cultural field in Beijing felt proud and elated, and ran around spreading the news. People believe that Hu Qiaomu and Deng Liqun can no longer play their tricks.

#### Several Articles Attacking the "Leftists"

This situation has been changing very rapidly. On 20 October 1984, the 3d Plenary Session of the 12th CPC Central Committee adopted the "Decision of the CPC Central Committee on Reform of the Economic Structure," in which the expression of opposing the "left" deviation rarely occurs, and the expression of "opposing the right deviation" completely disappears. On 10 December, RENMIN RIBAO published an article by Yuan Ying entitled "Eliminate the Leftist Pernicious Influence To Promote the Flourishing of Creation." The article is written in accordance with the contents and spirit of several speeches delivered by Hu Yaobang. The article mentions for the first time: "Opposing the 'left' deviation in the economic field but combating the 'right' deviation in the literature and art field runs counter to logic, and does not tally with actual reality. This theory does not hold water either." If this article can be regarded as an "offensive" launched by the reformists in the literature and art field against the leftists the commentator's articles on integrating theory with practice repeatedly published by RENMIN RIBAO earlier can be regarded as an "attack" on the "leftists" on the ideological front -- dogmatists who oppose the reform. All this has shown that the two Hu's (Hu Yaobang and Hu Qili) are determined to vigorously oppose the "leftists," but refrain from combating the "right" deviation arbitrarily. Deng Xiaoping does not oppose the move. This marks his progress. People in Beijing hope that Deng Xiaoping will be able to shake off the bad influence of Mao Zedong during his later years and that he will resolutely carry out the reform and opposing the "leftists," and carry the moves forward to the end.

## Hu, Zhao, and Others Can Take Over the Cause

Many people in Beijing wish the revered Mr Deng good health and long life in order to retain the stability of the situation. However, many other people think that this is the view of rule by men, which should not be advocated. If a healthy democratic and legal system has been established, and rule by men has been replaced by rule by law, there is no need for people to worry about the adverse changing of the situation as a whole. Some other people say: "It is better for the revered Mr Deng to retire early, so that Hu, Zhao, and members of the second and third echelons can completely take over the work. Give the 'mature CPC Central Committee' a free hand to do its work so that it can make greater contributions." Dear readers, do you agree with this view?

CHENG MING CALLS HU QILI 1985'S 'POLITICAL STAR'

HK021438 Hong Kong CHENG MING in Chinese No 87, 1 Jan 85 pp 9, 10

[Article by special correspondent Chang Chuan: "Hu Qili -- the New Political Start of '85'"]

[Text] Who will be the most spectacular political star at Zhongnanhai in 1985? It is believed that this dazzling start will be Hu Qili.

Deng Xiaoping recently commended Hu Qili at a forum of the Military Commission of the CPC Central Committee. He said: "Tian Jiyun and Li Peng of the State Council are not bad. Hu Qili and Wang Zhaoguo do their work very well." Two are "not bad" and the other two do "very well." Of the four, who is in Deng's best graces? This is quite clear to all. It is Hu Qili, who is now 56 years old and is in charge of the day-to-day business of the CPC Central Committee Secretariat. His position is certainly above the other three.

## Concentrate Efforts on Work of the Secretariat

In a XINHUA news dispatch in early May 1984, it was disclosed that Hu Qili, director of the CPC Central Committee's General Office, had been replaced by Wang Zhaoguo, first secretary of the CYL Central Committee. Some politically sensitive persons wondered: Was there something wrong with Hu Qili? However, Hu's name still appeared time and again in a number of XINHUA news reports about China's domestic and foreign affairs. For example, he accompanied Hu Yaobang to inspect the Army in Changchun; in the namelist of those who saw off Zhao before he left for a visit to six European countries, Hu's name was after Wan Li and Yang Shangkun.

No one now believes that Hu's departure from the CPC Central Committee's General Office means that he has been demoted. Instead, people are all convinced that he shoulders a heavy load in the Secretariat.

## An Outstanding One in the "Third Echelon of Cadres"

When chatting with Ishibashi Masashi, chairman of the Japanese Socialist Party a year ago, Hu Yaobang told him that Hu Qili was now in charge of the day-to-day business of the CPC Central Committee Secretariat. In the namelist of Chinese leaders, his name is located in back row, but it is obvious that the CPC top leaders regard him as an outstanding person in the "third echelon of cadres."

Referring to Hu Qili and other "new leaders," Deng Xiaoping said: "They do better than we did at their age. In the first place, they are more knowledgeable than we." This is very high praise.

## Great Merit in Resisting the "Drive To Eliminate Spiritual Pollution"

Before the drive to "eliminate spiritual pollution" started, Deng Liqun instigated some organs under his control to prepare public opinion for "eliminating spiritual pollution."



Under the pretext of submitting reference materials to the party Central Committee, policy study institutes under the Propaganda Department of the CPC Central Committee ceaselessly provided things which were favorable to the "leftists" in attacking the open-door policy by innuendo, dropping hints that the special economic zones were in fact a sort of self-designated "concessions." Their materials included "How Was Hong Kong Reduced to the Status of a British Colony?" "How Was the Sino-British 'Nanjing Treaty' Signed?" and some others. Some restricted publications published a number of news reports vilifying the special economic zones. Moreover, some newspapers and journals also carried a series of articles attacking the "Westernization movement" initiated by the Qing Dynasty. These trends alerted the CPC "reformists." On the one hand, they agreed that the open-door policy had inevitably brought some negative influences; and on the other hand, they maintained their composure and prepared counter-measures against the attack by rigid thinking persons. Because they were well prepared, they could react in time and launched a strong counterattack.

In a "fact-finding report on broadening the scope of the drive to eliminate spiritual pollution" prepared by the CPC Central Committee Secretariat, more than 30 indictments against broadening the scope of the "drive to eliminate spiritual pollution" were pointed out. All these were like heavy shells available for Hu Yaobang to fire. This document was mainly prepared by Hu Qili. For this reason, some people say that Hu Yaobang has a group of right-hand men and, among them, Hu Qili is the most outstanding one.

Under the counterattack of Hu Yaobang and Zhao Ziyang, Deng Liqun found that the situation was not too encouraging. On 29 November, he was forced to make self-criticism. Later on, he also tendered his resignation.

#### A Beijing University Student in the 1950's

Hu Qili was a Beijing University student in the 1950's and was chairman of the student union and secretary of the school's CYL Committee. However, because of his excellent performance in CYL work, he was transferred by Hu Yaobang to the CYL Central Committee before he had finished his studies in the natural sciences. Before the "Cultural Revolution," Hu Yaobang, Hu Keshi, and Hu Qili were well-known as the "three Hu's" in the CYL Central Committee. During the "Cultural Revolution," the "three Hu's" were persecuted. Their heads were shaved and they were dragged out daily before the public at the site of the CYL Central Committee. Together with other cadres, Hu Qili was also sent to the "May 7 Cadre School" of the CYL Central Committee in Henan for "reform through labor."

After the downfall of the "gang of four," Hu Qili was transferred to Tianjin Municipality to assume the post of the first secretary of the city's CPC Committee. During his tenure of office, he did some good things for the people. For example, he solved the long-standing "water supply" problem in the city. This greatly enhanced his prestige among the leadership and the rank and file, and it displayed his ability to work.

#### A Promising Candidate for the Post of Party General Secretary

After Hu Yaobang assumed the post of the CPC Central Committee general secretary, Hu Qili was also transferred to the post of director of the CPC Central Committee's General Office. Those who worked with Hu Qili at the CYL Central Committee were deeply impressed by his ability to work and work style. They point out that Hu Qili, a man with experience in mass work plus knowledge of modern science and technology, is modest and prudent as well as amiable and easy to approach, and can unite all comrades working with him. He is a promising candidate for the post of party general secretary.

A year ago, a Chinese delegation headed by Peng Zhen, with Hu Qili as his assistant, went to North Korea to attend celebrations marking the 35th anniversary of the DPRK's founding. When the delegation met with Kim Il-song, Peng Zhen said to him: "Hu Qili is a promising person for party general secretary."

#### A Good Impression on the Dongguan People

In early 1984, Deng Xiaoping made an inspection of the special economic zones, including Shenzhen and Zhuhai. The necessary preparations for the inspection were made by Hu Qili. When passing by the county seat of Dongguan, a neighboring county of Shenzhen City, Hu Qili spared no effort to learn about the livelihood of the local people. At an ordinary family's home, he was told that the family's income had increased considerably and their livelihood had greatly improved, but he dared not draw any conclusions before he knew much more. He continued to visit some more families, and what they had to say was pretty much the same, so he was convinced that the policies applied to the special economic zones had not only strongly stimulated the economic development in the special economic zones, but had also given great impetus to the economic growth of their neighboring areas and to the improvement of the people's livelihood. His thoroughgoing and painstaking work style impressed the Dongguan people very much.

#### Deng Xiaoping's Intention in Praising Hu Qili

Hu Qili made tremendous efforts in preparing for the convocation of the 3d Plenary Session of the 12th CPC Central Committee. He was in charge of the work of drafting the "Decision on the Reform of the Economic Structure" adopted by the session. When Deng Xiaoping praised Hu Qili for his excellent work at a forum of the CPC Central Committee Military Commission, the work of drafting the "decision" was also included.

Why did Deng Xiaoping praise Hu Qili at a meeting of the Military Commission?

Obviously, he wanted to pave the way for the quick ascent of this new political star.

More than one well-informed source in Beijing told me that Hu Qili would enter the Political Bureau of the CPC Central Committee within a year. I think that this expectation is well founded and is not a conservative estimate.

The third echelon of cadres, including Hu Qili, should be more enlightened and open-minded than the older revolutionaries. However, in Hu Qili and other middle-aged senior leaders alike, we may still see many of the "fine traditions" of the old folks in power. In a restricted speech made at the end of July 1984, Hu Qili said: "Our party is the leadership standing in the forefront of reform; it is a party which upholds the banner of reform, and is bold in carrying out reform and making progress by integrating the basic tenets of Marxism with the actual conditions in China. Our socialist system can improve itself by its own efforts. The future of our reform and our socialist system is brilliant and bright."

What is your impression of these remarks made by Hu Qili?

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